



Weekly Report

the authoritative reference on Congress

WEEK ENDING JAN. 8, 1954

VOL. XII, No. 2 -- PAGES 17-46

How The U. S. . . .

KEEPS THINGS MOVING

Has Its Transport Policy Kept Pace

With Jets And Diesels? Or Does It Need

General Or Specific Overhauling In '54?



STATE OF THE UNION —

Complete Eisenhower

Text And "Checklist"

PUBLISHED WEEKLY BY CONGRESSIONAL QUARTERLY NEWS FEATURES

The Only News Bureau Exclusively Devoted To Congress

in this report . . .

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January 8, 1954

MAJOR REPORTS OF 1953

The second CQ Weekly Report of 1954 is being mailed to you today.

CQ previously has supplied you with two binders to hold a year's supply of Weekly Reports and you may wish to remove the 1953 Reports to make room for the new ones. Extra sets of binders are available to clients at cost -- \$5.00 for the pair.

Most of the documentation of permanent significance in the 1953 Weekly Reports has been condensed and reedited for publication in the 1953 CQ Almanac, which will be sent you as soon as it is off the presses. We hope this will be end-January or first-February.

A great many CQ clients prefer to retain all of the 1953 reports, either intact or clipped for subject files. Likewise, newspaper clients may wish to keep data which is still timely and valuable background for stories or editorials.

For your guidance our editors have listed some of the major reports of 1953 which may be of particular interest to you. We shall be glad to send extra copies as long as the supply lasts.

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THE UNIVERSITY OF CHICAGO

DEPARTMENT OF THE HISTORY OF ARTS

1954-1955

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1954-1955

Behind The Headlines . . .

TRANSPORTATION POLICY

Is It a Model-T Course For A Modern-Horsepower Machine? While Groups

Press For Major Overhaul, Pending Bills Raise Some Specific Issues

As the 83rd Congress settles down to its heavy legislative work load, it faces strong pressures for a brand-new look at national transportation policy.

Members are being urged to place transportation legislation on their "must" lists on the grounds that transport is a keystone of America's defense program and domestic economy.

This pressure partly comes from transportation lobbies and federal officials who contend that America is trying to run a streamlined transport machine with a Model-T policy, inadequate to modern needs.

These groups argue that policy should be re-evaluated to determine what the government's role in transport should be; what powers states should have; whether unfair competition exists; and whether charges should be imposed or increased for use of federally-provided facilities.

Review of these issues, which have caused bitter wrangling among railroads, truck operators, waterways and air lines for more than 30 years, could add fireworks to a session already slated to explode plenty of political dynamite.

Important Bills Pending

Among the specific measures confronting Congress in coming weeks will probably be legislation affecting time lag, user charges, excise taxes, and trip leasing. Prosy as these subjects now sound, they are of vital importance to the average American because they affect the transport system which brings him nearly everything he uses in his daily life.

Highway-Aid Tax Fight

Should the federal government levy taxes, and aid in maintaining the U.S. highway network? Or should it leave the revenue field and construction problem to the states? This is another transportation system issue taking shape for debate in 1954. For details and stands, see page 23.

Here, in brief, is what these issues are about:

TIME LAG

A measure (S 1461) designed to avoid "undue delays" in adjusting rates and fares of railroads and other carriers to meet inflated operating costs currently has strong backing of shippers, railroads, and truck operators.

At present, these interests emphasize, general rate adjustments are now granted only after time-consuming proceedings before the Interstate Commerce Commission.

The bill is sponsored by Sens. Edwin C. Johnson (D Colo.), John W. Bricker (R Ohio) and Homer E. Capehart (R Ind.). It would direct ICC to act on applications for general rate increases by (1) making within 60 days an interim order authorizing such temporary increases, if any, as in its judgement would be proper; (2) thereafter conducting any further investigation as would be appropriate to final decision; and (3) requiring that carriers shall make refund on demand of any excess charges collected if the final increases authorized should be less than those allowed in the interim order.

AIRWAY USER CHARGE

A proposed program of charges for use of federal airways has been developed by the Civil Aeronautics Administration and submitted to Robert B. Murray, Chairman of the Air Coordinating Committee, Department of Commerce.

Designed to recover about \$25 million annually from civil users of airways, the proposed charges would take the form of a tax on aviation gasoline. Railroads favor this principle, but air lines say it would single them out to be charged before other forms of transportation--and are prepared to fight it.

EXCISE TAXES

Repeal of the excise taxes on for-hire transportation -- 15 per cent on passenger fares and three per cent on freight shipments -- will be sought by shippers' organizations and transport industries. These rates were imposed in wartime, and, it is claimed, tend to discourage travel and shipping by public carriers.

TRIP LEASING

Further skirmishing may occur over the issue of trip leasing -- the system under which regulated motor truck carriers, holding ICC certificates, lease trucks and drivers for single trips.

Under the Interstate Commerce Act, truck operators hauling products of farms and fisheries are exempt from ICC regulation. On return trips, such trucks are frequently used by certificated motor carriers on a single trip-lease basis.

To facilitate the regulation of these and other itinerant trucks, an ICC order was issued in 1951 requiring that leases be for periods of not less than 30 days. The right of the Commission to issue such orders was sustained by the Supreme Court in January, 1953. Soon after, Rep. Charles A. Wolverton (R N.J.) introduced by request a bill which would prohibit ICC from making restrictions as to the time-period of leases. The bill was passed by the House last session and is now before a Senate Interstate Commerce subcommittee (1953 Weekly Report, pp. 831 and 836).

Subsequently, in an order issued in November, 1953, ICC withdrew that portion of its order applying to trip-leasing of vehicles following a trip in which the truck had carried exempt farm and fisheries products. It also postponed the effective date of the order as it applied to leases of other trucks, to permit further study.

Farm groups and itinerant truckers probably will press for legislation limiting the power of ICC.

Opposing this will be railroads, many regulated motor carriers, and certain labor groups which say unregulated trip-leasing "vitiates" regulation of transport by motor vehicles.

OTHER ISSUES

Among other pending issues affecting transportation are the perennial proposal for development of the St. Lawrence Seaway, appropriations for the various regulatory agencies, a proposal (S 281) to permit ICC to rule on railroad petitions to abandon unprofitable intrastate services, and bills empowering ICC to regulate the installation and use of certain types of brakes and communications equipment. (S 1401 and HR 1821).

In Key Roles

The outlook for action on most of these issues depends largely on the leadership of two legislators: Sen. John W. Bricker (R Ohio), Chairman of the Senate Interstate and Foreign Commerce Committee, and Rep. Wolverton, Chairman of the House Interstate and Foreign Commerce Committee.

Bricker succeeded the late Sen. Charles W. Tobey (R N.H.) as chief of the Senate group. In 1951, Bricker prepared a report, "Domestic Land and Water Transportation," which argued for revamping policy to accord what he described as more equal treatment to all carriers. The trucking industry criticized the report as one-sided in reporting facts brought out in committee meetings.

As Congress prepares to tackle these specific issues -- or detour them to a legislative pigeonhole -- officials of the Executive Branch are undertaking a new survey of transportation policy.

In the Commerce Department, a special unit headed by Under Secretary Murray, is launching a study of transport policy which is expected to result in some specific legislative recommendations.

Murray believes the new Administration "has made clear" the over-all policies it will pursue in transportation. According to him, they are: Minimum government participation; private ownership and operation of basic facilities; proper balance between federal and state duties; and encouragement of private initiative in transport development.

On Dec. 29, in a speech before the American Economic Association, Dr. Charles L. Dearing, Deputy Under Secretary of Commerce for Transportation, suggested the need for enactment of legislation "which would bring to closer realization the sound objectives" of present policy, in order to assure the maintenance of privately-owned transportation.

Other studies expected to affect transportation, directly or indirectly, in coming months, include those undertaken by: The Commission on Intergovernmental Relations, now surveying federal-state relations; the (Hoover) Commission on Organization of the Executive Branch, which may consider transport-agency reorganization; and various specialized groups such as the Air Coordinating Committee, now keeping an eye on air policy.

What Shouting's About

Behind all this current activity affecting transportation is a Pandora's Box of problems and controversies. Here are some basic facts:

As the nation's second largest industry (the first is agriculture), America's transport system provides the lifeline over which defense, farm and industrial materials are moved.

Statisticians paint an impressive picture of this system. The U.S., for example, has more than half the world's transport facilities. This includes more than 227,000 miles of railway; 3,300,000 miles of public roads; 27,000 miles of inland waterways; 150,000 miles of pipelines; over 6,200 civilian airports and 40,000 miles of airways.

The industries using this huge system have grown in recent years. However, beneath the surface, nearly all have problems of various sorts. For example, the trucking industry, with other highway users and automotive industries, contends that federal motor vehicle taxes discriminate heavily against highway transportation.

Railroad spokesmen claim that, although last year was relatively good for their industry, earnings still fall short of standards which they argue are fair and reasonable. Drops in passenger traffic are said to add up to one of the railway's biggest headaches. Higher taxes, increased wages and soaring equipment costs are also blamed for the serious financial plight of many railroads.

Competitors say these troubles are caused mainly by inefficient management. But railroad officials attribute them, basically, to the "short-comings" of present transportation policy.

Many transport interests -- particularly railroads -- say this policy is a crazy-quilt of inconsistent laws, adopted to meet the needs of the moment, sometimes tending to help some carriers and injure others, and threatening to undermine the long-term financial health of all. The trucking industry, however, says relatively little tailoring is needed to modernize transportation's policy.

A PATCHWORK POLICY?

The disputed policy consists of four major parts:

1. The Act of 1887 to Regulate Commerce. This law, designed to curb abuses of the railroad monopoly, marked the government's first entrance into the transport field. To enforce it, the ICC was established.

2. The Motor Carrier Act of 1935. This extended regulation to the rapidly-growing trucking industry. ICC was given jurisdiction over rates and service of trucks engaging in interstate commerce (except those hauling livestock, fish and unprocessed farm products, and some others).

3. Transportation Act of 1940. Under this law certain standards were set up to guide federal activities. They were: "Fair and impartial regulation of all modes of transportation," treatment of the various carriers so as to "preserve inherent advantages of each," and provision of "safe, economical and efficient service" to the public.

4. Civil Aeronautics Act of 1938. This established the Civil Aeronautics Authority, which fosters development of civil aeronautics and air commerce. CAA creates and operates civil airways and navigation facilities, and assists in developing airports. Another group -- the Civil Aeronautics Board -- was set up to govern the economic aspects of air transport, and to provide safety rules and investigate accidents.

Before and while these policies were developing, government -- federal, state and local -- used public funds and land grants to promote highways, railroads, waterways and airports under its obligation to national defense and development of the nation. These governmental expenditures no longer include funds for railroads but amount to millions each year for other transport facilities.

Does The Policy Work?

There appears to be general agreement on the goal of "fair and impartial regulation." But critics concur on a charge that the policy has failed to live up to its own standards.

THE RAILROAD VIEW

Rail officials say they are still regulated by laws adopted under conditions which no longer exist, and claim the right "to be untied from the whipping post."

The biggest inequity in current policy results, they say, from the government's subsidization of competing forms of transport. In a copyrighted interview with U.S. News and World Report Dec. 14, William White, head of the New York Central, charged: "It costs the railroads to own and maintain

and pay taxes on their rights-of-way about 23 cents out of a revenue dollar. Truckers pay...a tax of about four cents out of their revenue dollar."

Railroads favor removal of all transport subsidies and imposition of "user charges" on trucks and air lines to help finance highways and airports.

AS TRUCKERS SEE IT

Trucking officials answer that, since motorists and the public generally as well as the government itself benefit from highways, all should foot part of the bill. They claim trucks pay their fair share for highways through registration fees and fuel taxes which, directly or indirectly, increase with trucks' sizes. The operators also pay special excise taxes applied to highway users alone.

Spokesmen for the trucking industry also emphasize that comparisons of tax payments against revenues, as made by the railroads, are meaningless in the case of different industries.

Walter Carey, head of American Trucking Associations, asserted at an industry meeting last May: "Railroads are out to defeat the highway improvement program...they don't like competition. They didn't have it for 80 years, and they're not getting used to it now."

AIR: GROWN-UP INFANT?

Air line officials point out it has always been federal policy to encourage growth of infant industries, including, at one point, railroads. They believe that subsidy payments to the air industry, in the form of mail pay, have been a "wise policy," because they have permitted the growth of an air system now indispensable to national defense and peacetime commerce.

"Sure, we're grown up now -- and we're beginning to free ourselves of this subsidy need," one official told CQ. "Give us a little more time and we'll pay it back, just as railroads claim to have repaid the large amounts of land grants they were given a hundred years ago."

Present proposals for airway user charges, air line spokesmen claim, single out the youngest important transport system, the one on which least federal funds are spent and to which the government has been contributing for the shortest length of time.

WATERWAYS POSITION

Waterways operators oppose the imposition of user charges on inland waterways on the grounds that such a move would "throttle" their growing industry.

"This would simply mean a double charge against the public for one and the same waterway, since the public paid for the waterways in the first place and then -- as shippers and consumers -- would pay for them again in user charges," Chester C. Thompson, president of American Waterways Operators, Inc., told CQ Jan. 5.

Thompson charges the drive for user charges is inspired by railroads, who "themselves are the beneficiaries of substantial government subsidization and protection."

IN SEARCH OF AN ANSWER

These industry positions are only a few of the arguments which Congress and the various study groups may attempt to reconcile. They face such questions as:

Should present policy be patched or scrapped? Should federal transportation activities be integrated into one agency, or reorganized within existing departments? How can the regulations of the transport industry be made more efficient?

It is expected that some answers will be a long time coming. However, transportation spokesmen are hoping that the current session of Congress may provide part of them -- and their lobbies are ready to slug it out on key issues.

Transportation Groups

The Washington directory is studded with the names of groups which speak for railroads, truckers, waterways, air lines and other transport interests. On some points, they are in agreement. On others, they differ sharply.

ASSOCIATION OF AMERICAN RAILROADS

One of the major groups prepared to give railroads' views to Congress is the Association of American Railroads. Its members include roads in the U.S., Canada, and Mexico which represent 93 per cent of the mileage, and 97 per cent of all railroad business in these countries.

A "lineal descendant" of earlier rail organizations, AAR touches upon nearly every phase of railroading in its day-to-day work. Its officials deal with (besides legislation) operations, maintenance, engineering, research, traffic, accounting and finance, valuation, taxation, economics and public relations.

AAR's staff is housed in the Transportation Building, 17th and H Sts., N.W. Directing over-all operations is William T. Faricy, who plays golf at Burning Tree Country Club (where President Eisenhower also frequently tees off) and maintains a wide acquaintanceship among Congressmen and top government officials.

AAR's legislative department, one of Washington's largest, is headed by Jardine Carter Fort, a 64-year old lawyer who is credited with being one of the highest-paid lobbyists. As vice president and general counsel, Fort is assisted by a group of lawyers.

His department is advised by a committee of 47 lawyers of member roads and by subcommittees which handle special projects. It is the job of Fort and his assistants to serve as "lookout" for the railroads in Washington, CQ was told. This evidently entails keeping member roads informed on progress of legislation, lobbying on Capitol Hill, and giving railroad views to ICC and other federal agencies.

Fort, who is said to be primarily a lawyer, operates quietly but is credited with being one of the Capitol's informed and effective legislative experts.

AAR occasionally "participates in local legislative situations." However, most local lobbying is undertaken by state railroad associations, which maintain close touch with state legislatures. Three regional organizations -- Eastern Railroad Presidents' Conference, Association of Western Railways, and Association of Southeastern Railroads -- make up still another important part of the railroad set-up.

FEDERATION FOR RAILWAY PROGRESS

In 1947, Robert R. Young head of the Chesapeake & Ohio Railway Company, pulled two railroads under his ownership out of the AAR and established a new group, the Federation for Railway Progress.

Young contended AAR had failed to adequately publicize the job being done by railroads and to encourage modernization of railway equipment. He hoped his group, by streamlined public relations techniques, would encourage a "new look" in railroad methods.

Today, the Federation is widely credited with doing a top public relations job with the general public. Its members include shippers, suppliers, and railway security holders, as well as railroad officials. Policy is set at quarterly meetings and carried out by the executive council, headed by Young.

FRP's legislative department is directed by William R. Merriam, a former fund-raiser and publicity man. Actual Hill contacts are handled by Esther Lipsen, who previously worked for Sen. Estes Kefauver (D Tenn.). FRP issues a legislative letter to its members.

FRP, like AAR, favors elimination of transportation subsidies.

AMERICAN TRUCKING ASSOCIATIONS

The railroads' most aggressive opponent on the subsidy issue is the trucking industry. During this session, as in others, some lobby punches may be exchanged between railroad groups and the American Trucking Associations, the truckers' major voice in Washington.

Structurally, the Trucking Association is somewhat unusual among the Capitol's lobbies. It is a national federation of 51 independent and autonomous state trucking associations, each representing all types of truck operation, and of 11 self-governing conferences, each of which represents a special class of trucking activity.

ATA has no direct means by which an individual or company can become a member. The Washington office -- at 1424 16th St., N.W. -- serves as headquarters for the 62 member organizations. National policy is decided by a majority of these groups, but each is free to deviate from this policy in any respect.

In spite of this, there is usually close agreement among members on legislative policy. Trucking Association lobbying activities are handled by two men -- John V. Lawrence, managing director, and James F. Pinkney, general counsel. Lawrence, a 55-year-old trucking expert who formerly managed the Paris office of the Automobile Manufacturers' Association, told CQ that one reason for ATA's effective lobbying lies in the group's extensive record system.

"This enables us to keep our membership informed on the progress of every transportation bill introduced," he said.

Lawrence and Pinkney talk with key Congressmen by telephone at least twice weekly, "just to keep up on what's cooking legislative-wise," they said.

Last session, CQ was told, when Congress was considering a rider in the ICC appropriations bill which, ATA contended, would have eliminated ICC's safety and field work, Lawrence, Pinkney and other ATA officials "practically lived on the Hill." For a week they buttonholed Congressmen "and anyone else in a position to help." By the end of the week, says Pinkney, "continuation of ICC's safety work was agreed upon."

American Trucking Associations alerts its member organizations to the need for grass-roots support on such key issues. The state associations handle lobbying at local levels; largely as a result of their activities, officials claim, many states have adopted "a more realistic attitude" toward truck size and weight standards.

In the current session, ATA will work, among other things, for passage of the time-lag bill. It supported such legislation in the last session but only after winning a battle to eliminate wording which it claimed would have permitted the railroads to charge a "below cost" rate for competitive cargo while making noncompetitive freight offset the losses. This has been termed "selective rate cutting."

AIR TRANSPORT ASSOCIATION

Housed in a grey stone building at 1107 16 St., N.W., less than a mile from the White House, is the major organization representing scheduled air lines -- the Air Transport Association. This group probably will pace the drive against imposing airway-user charges in advance of a determination by Congress to charge all forms of transport using publicly-provided facilities.

Through the Air Association, 43 member air lines pool their know-how to advance the industry. Its activities range from safety development and economic surveys to study of legislation and lobbying on the Hill.

Funds are furnished by members on a pro-rata share, according to their gross receipts. Its general policies are developed at annual meetings and carried out by the Washington staff.

The Association operates through committees of air line executives, set up to cover special fields and through the various administrative departments in Washington.

New Association president (he assumes office Feb. 1) is Earl D. Johnson, presently Under Secretary of the Army. Johnson succeeds Admiral Emory S. Land, who had served as head of the Association since 1946 after holding a succession of high government posts.

Two departments serve as the lobbying nerve-center. One, the Public Affairs unit, performs field work and legislative research. Its officials channel information on the air industry to federal, state and municipal legislative bodies, with the view of guiding them "in enactment of sound air transportation laws," an official said.

Members of this department also assist in preparing testimony to be given before Congressional committees and analyze legislation for the benefit of members.

The assignment of appearing before government regulatory agencies and of providing advice to the Association's legislative drafting committee is undertaken by the Legal Department.

Two men play a key role in this work. They are Stuart Tipton, general counsel, and Edward Rodgers, assistant to the president. Rodgers is a political scientist who, as secretary to Sen. Carl Hayden (D. Ariz.), obtained first-hand knowledge of lobbying techniques. Tipton is an ex-government attorney who also is credited with know-how in the field of legislative maneuvering.

A source of Air Transport Association legislative strength is the extensive field support which these men can marshal during a fight on any key issue, CQ was told.

In its lobbying activities, the air group frequently cooperates with other members of the aviation bloc in Washington. These include such organizations as National Aviation Trades Association, Aeronautical Training Society, Airport Operators Council, and Aircraft Industries Association of America, Inc.

Two former Senators have been working for Air Groups in Washington. One is ex-Sen. Claude D. Pepper (D. Fla., 1936-50), who has served as general counsel for the Air Coach Transport Association. The other is former Sen. Joseph C. O'Mahoney (D. Wyo., 1934-52), who is an adviser to North American Airlines.

PLUGGING FOR WATERWAYS

The nation's inland barge and towing industry is a major carrier of commercial bulk and packaged cargoes, represented by an important bloc in Washington.

Headquarters for a group which says it is the largest member of this bloc are located in an office building on downtown F Street. With 300 member companies, American Waterways Operators, Inc. is prepared to rally the support of domestic water carriers against any effort to impose user charges on inland waterways.

The group's legislative work is done by its president, ex-Rep. Chester C. Thompson (D. Ill., 1933-38), who "goes to bat" for the industry before Congress on any legislative issue affecting it.

AWO keeps its membership informed, and rallies their support, through a weekly legislative letter.

Another leading member of the bloc -- the National Water Carriers Association, Inc. -- has an office in the Southern Building, a few blocks from the White House. Its legislative representative is Richard Specker, who has been in the water transport business all his life. Specker told CQ he is not registered under the lobby law, "on advice of my counsel."

Both AWO and NWCA frequently cooperate with such other organizations as the Lake Carriers Association, Association of American Ship Owners (representing subsidized shipping interests), the Committee of American Steamship Lines (speaking for the non-subsidized part of the industry), Pacific-American Steamship Association, and the American Merchant Marine Institute. The Institute employs ex-Sen. Herbert R. O'Connor (D Md., 1947-52) as its counsel, to handle legislative work.

TRANSPORT ASSOCIATION

Some of the pressure on Congress relating to transportation measures can be expected to come from an office at 1001 Connecticut Ave., N.W. This is Washington headquarters of the Transportation Association of America, which serves as focal point for bringing together the diverse transportation lobbies in an effort to hammer out certain common policies.

Billed as a "consulting service to Congress," TAA attempts, through economic research, public relations and government relations, to work out some area of agreement on transport policy. Its machinery for doing this is a series of panels composed of transport users and investors, shippers, railroads, air lines, and other transport interests.

In its nationwide educational work, TAA operates through 20 regional forums, 200 "enterprise councils" (groups of citizens interested in transport), and 125,000 leading citizens in smaller cities and towns.

TAA's lobbying is undertaken by Leif Gilstad, an ex-newspaperman who heads the Washington office, and ex-Rep. Clarence Lea (D Calif., 1917-48), legislative counsel. Both Gilstad and Lea expect to be active in support of the time-lag bill this session.

The Common Goal

The charges and counter-charges fired by these transportation groups during the current session may, as in the past, tend to concentrate public attention on immediate issues, rather than on the need for a workable long-term policy.

But over and above the sharp differences on particular issues, there seems to exist a common hope that whatever action Congress takes affecting transportation will contribute toward the building of a policy truly fair and equitable to all forms of transport, and capable of providing the public with the most efficient and economical service possible.

Federal vs. State

HIGHWAY DEVELOPMENT

A controversy over U. S. highway development promises to reach a series of climaxes in the new session of Congress.

The Commission on Intergovernmental Relations, established by Congress at the request of the President, is scheduled to make its final report and recommendations by March 1. On Dec. 18, the Commission decided to place highway construction among the top items in its study of federal aid to states.

Western governors Nov. 4 adopted a resolution calling for the federal government to withdraw from the field of gasoline taxation and leave it to the states. By April 1, the Congress must move to continue the federal gasoline tax at its present two-cent level or allow it to drop to 1 1/2 cents, as scheduled.

The end of the current fiscal year July 30 will mean Congressional action on a new appropriation for the Department of Commerce, a bill that usually carries millions for federal-aid highways.

Meanwhile, a lobby ruckus is growing as to how highways should be financed, and what role, if any, the federal government should play in building them.

FOR EXPANDED PROGRAM

At one extreme are groups and individuals who would keep the present gas tax and expand the program of federal aid to accelerate road-building. They argue that federal aid is a Constitutional obligation of the government due to the importance of highways to national defense, delivery of mail, interstate commerce and the national welfare.

These interests say that, although America has some of the world's best highways, about two-thirds of the 664,000-mile system are deficient, according to official statistics. Only one-fourth of the 37,800 miles of the interstate system it is said, meets required standards.

At today's costs, according to estimates of the American Road Builders' Association, it would require more than \$11 billion to bring the interstate system up to standard.

Sen. Edward Martin (R Pa.), Chairman of the Senate Public Works Committee, estimated Dec. 20 that it would cost \$40 billion to improve all highways to the point where they could meet present traffic needs.

Martin said a federal-state-local expenditure of \$4 billion yearly for 10 years should do the job. He added that the program should be on a pay-as-you-go basis borne by "the traveling public."

Rep. J. Harry McGregor (R Ohio), Chairman of the Roads Subcommittee of the House Public Works Committee and a federal-aid-to-highways advocate, told the National Conference on Highway Financing sponsored by the U.S. Chamber of Commerce on Dec. 10:

"In a nation as big, and growing as rapidly as America, continuation of this long-range, large-scale highway program is essential."

THE OPPOSITION

But others would repeal the federal gasoline tax, scrap federal road aid, and leave all highway development to the states.

They contend that federal aid is the opening wedge to "unlimited expansion" by the national government in this field. Highways are primarily a local and state responsibility and should be handled at these levels, they say.

Gov. Walter J. Kohler of Wisconsin told the highway conference of the Chamber of Commerce Dec. 10:

"A sensible, revised program of highway financing, whereby state governments will...fulfill their responsibilities, will help guide the nation through today's traffic nightmare."

Between those most sharply in conflict are groups which argue that, barring repeal of federal excises, on motorists, the full amount of money collected from these taxes should be spent on highways.

They say that, although the federal government collected over \$2 billion in 1953 in excise taxes on gas, oil, tires, autos and parts, it plans to provide only about \$500 million during the present fiscal year in federal highway aid.

Many state highway officials argue that federal aid should at least equal the \$900 million collected from gas taxes last year. Some would set aside the whole \$2 billion for roads.

But others argue against linkage of spending to taxes, saying this would tend to make these excises permanent, which they were not originally intended to be. Since highways are connected with general welfare, it sometimes is argued that federal aid for their development should come out of general funds.

Organization Stands

Spearheading the fight for an expanded federal program is the American Road Builders' Association. ARBA, which grew out of an association of bicyclists, today is sometimes called the "authoritative voice" of the industry. It is proposing a 10-year expanded federal highway program.

Also supporting the program of federal aid to highways are National Farmers Union, National Grange, Transportation Committee of the Chamber of Commerce, Automobile Manufacturer's Association, and other groups.

The drive to scrap the federal gasoline tax is being led by the Governors' Conference -- a group of state governors many of whom apparently feel, as one said: "There is no reason why states should not build highways without aid from the federal government."

A similar position is taken by the National Association of Manufacturers.

American Trucking Associations, Inc., would leave collection of gas taxes to the states and limit federal aid to "amounts commensurate with national obligations." Repeal of excises is also sought by the American Farm Bureau Federation and the National Council of Private Motor Truck Carriers.

Linkage of highway spending to the full amount collected through the gas tax is advocated by American Municipal Association, American Association of State Highway Officials, United States Conference of Mayors.

Opposing such linking are the American Petroleum Industries Committee, National Association of Motor Bus Operators, National Highway Users Conference, Rubber Manufacturers Association, Asphalt Institute, and Truck Trailer Manufacturers Association.

OUTLOOK

Some Congressional leaders, among them Rep. McGregor and Rep. George A. Dondero (R Mich.), Chairman of the House Public Works Committee, have recently predicted that the outcome of the current highway controversy will be continuation of the federal gas tax "as is."

Meanwhile, some states are resorting to toll road construction to help lessen traffic jams. Charles L. Dearing, Deputy Undersecretary of Commerce, estimated Dec. 11 that possibly a third of the nation's interstate highways can be built to turnpike quality in rural areas within 10 years through self-liquidating toll projects.



pressures on congress

LOBBYIST REGISTRATIONS

A Washington attorney, representing the interests of the legitimate theater, was among the last to register in 1953 under the Federal Regulation of Lobbying Act.

RALPH E. BECKER, 1346 Connecticut Ave., Washington 6, D. C.

Ralph E. Becker, a Washington lawyer, registered Dec. 30 as counsel for the National Association of the Legitimate Theatre, Inc., 234 W. 44th St., New York, and the League of New York Theatres, Inc., 234 W. 44th St., New York. Becker described the two groups as associations organized "to conserve and promote the general welfare of the legitimate theater."

Becker stated that he was interested in "any legislation affecting the excise tax on admissions to the legitimate theater." In a statement to Congressional Quarterly, Becker said that the two associations were engaged in a struggle for the "preservation of the living theater," and that the campaign would be a "dignified" one with no "high pressure" tactics.

Becker said he was interested in no specific bill at present but for the next three weeks he would be engaged in "documenting" arguments, presented Aug. 5, 1953 at hearings held by the House Ways and Means Committee on possible legislation to co-ordinate and simplify the tax structure (1953 CQ Weekly Report, p. 1068), for the removal of the excise tax on legitimate theater admissions.

He said that Dr. Olin Glenn Saxon, professor of economics at Yale University, was currently preparing an economic study which would be used to "substantiate" the arguments of the legitimate theater.

Becker listed his "anticipated expenses" as \$5,000 annually.

The League of New York Theaters, Inc., and the National Association of the Legitimate Theater, Inc., filed separate registrations Dec. 30, 1953. Both named Ralph E. Becker as their agent.

WENCHEL, SCHULMAN and MANNING, 1625 K St., N.W., Washington, D. C.

Wenchel, Schulman and Manning, a Washington law firm, registered Dec. 30, 1953, as agents for the estate of Mary Clark deBrabant and Katherine C. Williams, 120 Broadway, New York. A spokesman for the law firm told CQ that the firm's legislative interest consisted in gaining "retroactive" estate-tax relief for its clients. He said that the law firm did not know as yet if any action would be taken on the matter but filed "just to be safe."

The registration said that "no expenses" other than "out-of-pocket expenses, such as telephone charges, etc., are anticipated" and that there was "no arrangement for a daily, monthly or annual rate of compensation."

FLORIDA CITRUS MUTUAL, Lakeland, Fla.

TRIPLE E. DEVELOPMENT COMPANY, Dade City, Fla.

R. D. KEENE, Winter Garden, Fla.

R. T. CARLETON, Plymouth, Fla.

CHESTER C. FOSGATE COMPANY, Orlando, Fla.

The Florida Citrus Mutual and the Triple E. Development Company registered Dec. 18, 1953, and R. D. Keene, R. T. Carleton and the Chester C. Fosgate Company registered Dec. 30, 1953. All five organizations or individuals named ex-Rep. J. Hardin Peterson (D Fla.) as their agent. (For legislative interest and other details, see Peterson's Registration, CQ Weekly Report, p. 7.)

PRESSURE POINTS

PROTEST DAM PROPOSAL

The Emergency Committee on Natural Resources Jan. 4 held a panel discussion and press conference to protest a Dec. 12, 1953, recommendation by Secretary of the Interior Douglas McKay that a dam be built at Echo Park in Dinosaur National Monument, in northwestern Colorado and northeastern Utah.

The panel consisted of committee members Dr. Ira N. Gabrielson, president of the Wildlife Management Institute and former head of the Department of the Interior's Fish and Wildlife Service; Charles Callison, conservation director of the National Wildlife Federation; Michael Hudoba, secretary of the Outdoor Writers Association; and Howard Zahniser, executive secretary of the Wilderness Society, a former official of the Fish and Wildlife Service and at present representative of the Sierra Club of California.

Maj. Gen. U.S. Grant III, president of the American Planning and Civic Association and a former officer of the United States Army Corps of Engineers, and Fred Packard, executive secretary of the National Parks Association, joined the committee members to register a protest at what they termed "a serious weakening of long-honored principle that the national parks and monuments must be preserved as they are for the welfare and pleasure of all the people."

The group promised a fight in Congress. It argued that dam sites above and below Echo Park are available and are more practical; that the building of the dam in a national forest "would set a precedent for invasion of other national parks"; that the Bureau of Reclamation's statistics on the water evaporation at the alternate sites were inconsistent; and that the building of the dam would be an "unnecessary destruction...of one of our great natural, scenic wonders."

LEE APPOINTMENT OPPOSED

Joseph A. Beirne president of the CIO Communications Workers of America, protested Dec. 31, 1953, in a letter to Sen. John W. Bricker (R Ohio), Chairman of the Senate Interstate and Foreign Commerce Committee, the Oct. 5, 1953, Presidential appointment of Robert E. Lee to the Federal Communications Commission.

Beirne requested a public hearing by the Committee and told Bricker that "this highly important and sensitive post should be scrutinized closely by the entire Senate." (CQ Weekly Report, p. 13.)

FARM POLICY CONFERENCE

The United States Chamber of Commerce announced Jan. 6 that a farm policy conference will be held in Washington on Jan. 27 - 28, following President Eisenhower's scheduled Jan. 11 special message to Congress on his farm proposals.

Purpose of the conference the Chamber said, "is to stimulate increased business interest in the farmer's problem." Among the speakers listed were Ezra Taft Benson, Secretary of Agriculture; True D. Morse, Under Secretary of Agriculture; James L. Patton, president of the Farmers' Union; Allan B. Kline, president of the American Farm Bureau Federation, and Herschel D. Newsom, Master of the National Grange.

NAM ON LABOR LAW

The National Association of Manufacturers issued a statement Jan. 3 calling on Congress to tighten up the Taft-Hartley Labor Law by "guaranteeing freedom of speech" for employers; banning strikes to compel union recognition; tightening the definition of union responsibility for the actions of union members; more effective outlawing of feather bedding; and abolishing all forms of the union shop.

COUNTERFEIT WARNING

The International Plate Printers, Die Stampers and Engravers Union of North America (AFL) protested the Treasury Department's December, 1953, announcement of its plan to have the Bureau of Engraving and Printing switch to printing government bonds by the offset process on January 18. The Union purchased a full page ad in a Washington paper (Star) to warn the public that "it takes no genius to counterfeit bonds by the offset process." The ad claimed that the offset process, instead of saving the government money, would result in a loss due to counterfeiting which would be followed by a drop in bond buying by the public, an increase in rates by bonding companies and the "extra cost of administering the Secret Service."

NAACP ON CIVIL RIGHTS

The Washington Bureau of the National Association for the Advancement of Colored People, in its year-end summary of the civil rights situation, commended President Eisenhower Jan. 2 for stands on the reestablishment of the President's Committee on Government Contracts

and on the elimination of segregation in schools and on military posts.

The Navy was commended for ending segregation in Southern shore bases; Harvey Higley, administrator of the Veterans Administration, was praised for moves to end segregation in VA hospitals; and criticism was leveled at "a move by the Bureau of Printing and Engraving to oust Negro printer apprentices" from a government training program.

Eleven Senators and two Representatives were praised for sponsoring proposed non-segregation amendments to the National Labor Relations Act. Praised for sponsorship of S 1831 were Sens. Irving M. Ives (R N.Y.), Margaret Chase Smith (R Maine), George D. Aiken (R Vt.), Dwight Griswold (R Neb.), William A. Purtell (R Conn.), Barry Goldwater (R Ariz.), James E. Murray (D Mont.), Matthew M. Neely (D W.Va.), Paul H. Douglas (D Ill.), Herbert H. Lehman (D N.Y.) and John F. Kennedy (D Mass.). The two Representatives receiving the praise of NAACP were Adam C. Powell, Jr. (D N.Y.) for his sponsorship of HR 4358 and Jacob K. Javits (R N.Y.) for introducing HR 5361.

HOUSING INDUSTRY OUTLOOK

The National Association of Home Builders predicted that 1954 home construction will total one million. Basing its estimate on the same "base" used by the Bureau of Labor Statistics to calculate housing starts, the NAHB said that "actually" the BLS total was probably low and that the 1954 construction might be as much as 10 per cent higher.

Agreeing with the NAHB estimate, the National Association of Real Estate Boards said that there has been no slackening in demand for new houses but that competition in the industry would continue to increase.

The United States Savings and Loan League predicted that the total construction of homes in 1954 would be only 950,000. However, the league said, government action to "liberalize" the mortgage market would increase construction and sales.

POSTAL RATES

The Magazine Publishers Association, Inc., Jan. 4 issued a 215-page report -- written by Professor Jules Backman, a New York University economist and corporation consultant opposing the inclusion of subsidies for certain classes of mail "delivered in the interest of public welfare" in the deficit of the postal system.

The report said that when Congress decides to subsidize certain classes of mail delivery in the interests of public welfare the costs of such deliveries are not properly postal matters but are Congressional appropriations for the general welfare.

It recommended that postal rates be established by Congress alone and that a joint Congressional committee on postal rates be established, with a permanent technical staff to study rates and recommend adjustments.



(JAN. 6 - 7)

floor action

SECOND SESSION BEGINS

The second session of the 83rd Congress opened Jan. 6, but both houses adjourned early out of respect for the late Chief Justice Fred M. Vinson whose death came after the Aug. 4, 1953 adjournment. Only resolutions -- four in number -- were introduced in the Senate, but House Members dropped 217 bills and resolutions into the hopper.

Vice President Richard M. Nixon, presiding over the Senate session, swore in two new Members.

Sen. Robert W. Upton (R N.H.), replacing the late Sen. Charles W. Tobey (R N.H.), and Sen. Thomas A. Burke (D Ohio), appointed to replace the late Sen. Robert A. Taft (R Ohio), took the oath of office. After adoption of a resolution in memory of Chief Justice Vinson, the 25-minute session was adjourned.

In the House, Speaker Joseph W. Martin, Jr., (R Mass.) opened the session promptly at noon and ruled against the customary "one minute" speeches so that the session might adjourn early.

New members sworn in by Speaker Martin were Reps. Glenard P. Lipscomb (R Calif.), replacing Norris Poulson (R Calif.), resigned; Harrison A. Williams (D N.J.), replacing Clifford P. Case, (R N.J.), resigned; William H. Natcher (D Ky.), replacing Garrett L. Withers (D Ky.), deceased, and Lester R. Johnson (D Wis.) replacing Merlin Hull (R Wis.), deceased.

A eulogy to Chief Justice Vinson by Minority Leader Sam Rayburn (D Tex.) was followed by tributes from Majority Leader Charles A. Halleck (R Ind.) and a number of other Members.

A light note was injected into the session when House Members gave Rep. Rayburn a standing ovation. It was his 72nd birthday.

SENATE AGENDA

The Senate Republican Policy Committee agreed Jan. 6 to make two major and five minor bills the first order of business in the new session. Decision on when to bring them up was left to Majority Leader William F. Knowland (R Calif.).

The main pieces of legislation given priority were for construction of the St. Lawrence Seaway (S 2150) and a Constitutional amendment (S J Res 1), proposed by Sen. John W. Bricker (R Ohio), to limit the President's treaty-making power. The minor bills dealt with purchase of federal buildings, Canal Zone retirement and commemorative coins.

BRICKER AMENDMENT

Meanwhile, Senate leaders met at the White House with Administration officials in an effort to arrive at a compromise on the controversial Bricker amendment. A

Opening Day Bills

A bill (HR 6863) to revise the Old Age and Survivors Insurance system was the first measure dropped into the hopper Jan. 6. The bill is sponsored by Rep. Carl T. Curtis (R Neb.)

The first measure (S Res 167) on the Senate side was introduced by Majority Leader William F. Knowland (R Calif.) It asked that President Eisenhower be notified the Senate was back in session. It was adopted without debate, by unanimous consent.

Altogether the House received 217 new measures, including 91 public bills, 100 private bills, and 26 resolutions.

The Senate opening day total was only four, all resolutions.

(When Congress is in session, CQ Weekly Report lists all public bills introduced and acted on in its continuing Summary Of Legislation. The first of the 1954 summaries will appear in the Jan. 15 Weekly Report.)

revised version of the Bricker amendment was approved June 15, 1953, by the Senate Judiciary Committee. (1953 CQ Weekly Report, p. 811. For Senate sponsors of the original version, see page 28.)

A Constitutional amendment may be submitted to the states for ratification upon the approving vote of two-thirds of the House and Senate. Sixty-four Senators -- two-thirds of the Senate -- had joined in sponsoring the Bricker resolution by mid-February of 1953. It was introduced Jan. 7, 1953. Three of its sponsors have died.

ST. LAWRENCE SEAWAY

Legislation authorizing the United States to construct its share of the St. Lawrence Seaway, along the Canadian border, was approved June 16, 1953, by the Senate Foreign Relations Committee. (1953 CQ Weekly Report, p. 811.)

For Senate sponsors of an earlier Seaway bill and for voting in 1952 on recommitment of St. Lawrence Seaway legislation, see Vote Chart, page 28.

Knowland said Jan. 7 that he would call up the coinage measures Jan. 11 and that they might be followed by a bill to increase cotton acreage allotments (S 2643) approved by the Senate Agriculture Committee Jan. 7. (see page 29.)

PAST VOTE, SPONSORS

St. Lawrence Seaway, Bricker Amendment

1. A pending bill (S 2150) to authorize construction of a limited St. Lawrence Seaway project was given legislative priority Jan. 6, 1954, by the Senate Republican Policy Committee (See page 27). The bill was approved June 16, 1953, by the Senate Foreign Relations Committee. An earlier version (S 589) of the measure, introduced Jan. 23, 1953, was sponsored by 17 Senators. (Two of them, Robert A. Taft (R Ohio) and Charles W. Tobey (R N.H.), died.) Checked in col. 1 below are the names of the remaining 15 sponsors.
2. In 1952 -- A measure (S J Res 27, 82nd Congress) providing a more expansive St. Lawrence Seaway program was recommitted on a 43-40 roll-call vote, June 18, 1952. Col. 2 shows how the present Senate Membership stood on the 1952 vote. (For story, see CQ Almanac, Vol. VIII, 1952, p. 338.)

3. Also given priority Jan. 6, 1954, by the Senate Republican Policy Committee was a proposed Constitutional amendment (S J Res 1) to limit the President's treaty-making authority. The original proposal, sponsored by Sen. John W. Bricker (R Ohio), was introduced Jan. 7, 1953, by Bricker and 61 other Senators. Two additional Senators had joined as co-sponsors by mid-February. A revision of the resolution was approved June 15, 1953, by the Senate Judiciary Committee. Both the original and revised texts were opposed by the Administration. Subsequent White House conferences sought to reach a compromise. Col. 3 below shows present Senators who sponsored the original Bricker proposal. (Three of the original sponsors, Sens. Taft, Tobey, and Willis Smith, D N.C., died.)

RECORD VOTES

FOR: Y (yea)

AGAINST: N (nay)

NOT RECORDED:

NOT ELIGIBLE:

DECLARED STANDS

✓ Announced For, Paired For, CQ Poll For.

X Announced Against, Paired Against, CQ Poll Against.

? Absent, General Pair, "Present," Did not announce or answer CQ Poll.

— Not a Member when this vote was taken.

TOTAL VOTE					REPUBLICANS					DEMOCRATS				
YEAS					YEAS					YEAS				
NAYS					NAYS					NAYS				
	1	2	3	4		1	2	3	4		1	2	3	4
ALABAMA					MAINE					OHIO				
Hill (D)	✓	N			Payne (R)		-			Bricker (R)		Y		✓
Sparkman (D)		N			Smith (R)		Y			Burke (D)		-		
ARIZONA					MARYLAND					OKLAHOMA				
Goldwater (R)	-		✓		Beall (R)		-			Kerr (D)		N		✓
Hayden (D)		N			Butler (R)		Y			Monroney (D)		N		
ARKANSAS					MASSACHUSETTS					OREGON				
Fulbright (D)		✓			Kennedy (D)		-			Cordon (R)		N		✓
McClellan (D)		Y	✓		Saltonstall (R)		Y			Morse (D)		N		
CALIFORNIA					MICHIGAN					PENNSYLVANIA				
Knowland (R)		X			Ferguson (R)		✓	N		Duff (R)		Y		✓
Kuchel (R)		-		✓	Potter (R)		✓	-		Martin (R)		Y		✓
COLORADO					MINNESOTA					RHODE ISLAND				
Johnson (D)		Y		✓	Humphrey (D)		✓	N		Green (D)		✓	N	
Millikin (R)		Y			Thye (R)			N		Pastore (D)		✓	N	
CONNECTICUT					MISSISSIPPI					SOUTH CAROLINA				
Bush (R)		-		✓	Eastland (D)		-			Johnston (D)		X		✓
Purtell (R)		-		✓	Stennis (D)		Y			Maybank (D)		Y		✓
DELAWARE					MISSOURI					SOUTH DAKOTA				
Frear (D)		Y		✓	Hennings (D)		N			Case (R)		N		✓
Williams (R)		Y		✓	Symington (D)		-			Mundt (R)		N		✓
FLORIDA					MONTANA					TENNESSEE				
Holland (D)		N			Mansfield (D)		-			Gore (D)		-		
Smathers (D)		N		✓	Murray (D)		✓	X		Kefauver (D)		N		
GEORGIA					NEBRASKA					TEXAS				
George (D)		Y			Butler (R)		✓		✓	Daniel (D)		-		✓
Russell (D)		?			Griswold (R)		-		✓	Johnson (D)		✓		
IDaho					NEVADA					UTAH				
Dworshak (R)		Y		✓	Malone (R)		Y		✓	Bennett (R)		Y		✓
Welker (R)		Y		✓	McCarran (D)		Y		✓	Watkins (R)		Y		✓
ILLINOIS					NEW HAMPSHIRE					VERMONT				
Dirksen (R)		Y		✓	Bridges (R)		Y		✓	Aiken (R)		✓	N	✓
Douglas (D)	✓	N			Upton (R)		-			Flanders (R)		N		✓
INDIANA					NEW JERSEY					VIRGINIA				
Capehart (R)		✓		✓	Hendrickson (R)		Y		✓	Byrd (D)		✓		✓
Jenner (R)		Y		✓	Smith (R)		Y		✓	Robertson (D)		Y		✓
IOWA					NEW MEXICO					WASHINGTON				
Gillette (D)		N		✓	Anderson (D)		N			Jackson (D)		-		
Hickenlooper (R)		X		✓	Chavez (D)		✓	N		Magnuson (D)		N		✓
KANSAS					NEW YORK					WEST VIRGINIA				
Carlson (R)		✓		✓	Ives (R)		Y		✓	Kilgore (D)		Y		
Schoeppel (R)		Y		✓	Lehman (D)		✓	N		Neely (D)		Y		
KENTUCKY					NORTH CAROLINA					WISCONSIN				
Clements (D)		N			Hoey (D)		Y		✓	McCarthy (R)		✓	N	✓
Cooper (R)		-			Lennon (D)		-			Wiley (R)		✓	N	
LOUISIANA					NORTH DAKOTA					WYOMING				
Ellender (D)		Y		✓	Langer (R)		✓	N		Barrett (R)		-		✓
Long (D)		Y			Young (R)		✓	N		Hunt (D)		Y		



(JAN. 1 - 7)

committee roundup

Action

COTTON ACREAGE -- The Senate Agriculture and Forestry Committee Jan. 7 agreed on a "clean" bill (S 2643) setting the 1954 national cotton acreage at 21.4 million acres. Chairman George D. Aiken (R Vt.) said the measure would be substituted for a 1953 House-passed bill (HR 6665) calling for 22.5 million acres. (1953 Weekly Report, p. 1063.)

Aiken said the bill would provide for:

A base allotment of 21 million acres, apportioned among the states according to the five-year formula in present law

A 315,000 acre reserve, half to Western states and half to Southern states on the basis of historic plantings, to be used to relieve hardship cases

An additional 59,000 acres for California and Arizona so they would not be cut more than 34 per cent under their 1952 plantings.

EXCESS FOR CURRENT YEAR

The Department of Agriculture estimated Jan. 4 that there would be about \$1.5 billion worth of cotton in excess of market demand for the current marketing year, ending Aug. 1, 1954.

CONTEMPT CITATIONS -- The Senate Permanent Investigations Subcommittee Jan. 7 voted to ask the Senate to cite for contempt Corliss Lamont, Abraham Unger, and Albert Shadowitz for their refusal to answer certain questions during Subcommittee probes in 1953. (1953 Weekly Report, pp. 1193, 1441.)

UN-AMERICAN ACTIVITIES -- The House Un-American Activities Committee, in a closed-door meeting Jan. 6, decided to ask for \$300,000 to finance its 1954 probes. Chairman Harold H. Velde (R Ill.) said that \$24,000 remained from a similar grant for 1953. The request is subject to approval by the House Administration Committee and the House.

New Hearings

HAWAIIAN STATEHOOD -- The Senate Interior and Insular Affairs Committee Jan. 7 began hearings on Hawaiian statehood, as a continuation of earlier hearings, which had ended March 6, 1953. (1953 CQ Weekly Report, p. 343.)

Former Hawaiian Gov. Ingram M. Stainback (D), presently an Associate Justice of the Hawaii Supreme Court, told the Committee there was evidence of a greater increase in Communist activity in Hawaii during the past year than at any other time.

He said the men "who contro. the International Longshoremen's and Warehousemen's Union absolutely follow the Communist line" and that there is "no question" that the ILWU controls the economic life of Hawaii through its

organization of labor in the shipping, sugar and pineapple industries.

Chairman Hugh Butler (R Neb.) told the Committee that he intended to call for a vote to "unscramble" the Hawaii and Alaska statehood bills which were merged by an 8-7 Committee vote on May 13, 1953. (1953 CQ Weekly Report, p. 644.)

When Sen. George A. Smathers (D Fla.) asked Butler if it was not his understanding that the Committee voted to keep the Alaska and Hawaii statehood bills combined until hearings on Alaska statehood were concluded, Butler replied that he believed the Committee had kept faith with the 1953 motion by conducting hearings in Alaska during the summer.

In reviewing the 1949 Hawaiian dock strike, Stainback said the legislature, at his request, passed legislation enabling the government to take over the docks. Stainback told the Committee that the CIO expelled the ILWU shortly after he talked to the late Philip Murray, CIO president, and told him "what the ILWU was doing out there."

In response to questions by Sen. Thomas H. Kuchel (R Calif.), Stainback said he did not believe that the ILWU controlled the government of Hawaii during his tenure as governor nor did he believe that it had such control now.

In a statement in advance of the hearing, Sen. Smathers said Jan. 7 that it was "unfortunate" that Stainback's testimony was set for the day of President Eisenhower's State of the Union Message to Congress (see page 38). Smathers said, "This in effect relegates consideration of the future boundaries of the United States to the shadows." Smathers said that the Eisenhower Administration "appears irrevocably committed to statehood" for "political reasons."

Delegate Joseph R. Farrington (R Hawaii), also speaking Jan. 7 in advance of the hearing, said that prospects for Congressional passage of the statehood bill this year were "more favorable than at any time in history."

Continued Hearings

POWER MARKETING -- The House Interior and Insular Affairs Committee Jan. 5 recessed its hearings on the Department of Interior's new Missouri River Basin power marketing policy. Chairman A. L. Miller (R Neb.) indicated that a further hearing would be held to take testimony from Clyde T. Ellis, executive manager of the National Rural Electric Cooperative, Inc. (CQ Weekly Report, p. 9.)

JAN. 4 --

Charles E. Ham, manager of the Wheat Belt Electric Membership Association of Nebraska and director of the Tri-State Generation and Transmission Cooperative, told the Committee that he felt the new power policy would force Rural Electrification Administration cooperatives

to make almost impossible estimates of their future power needs or be subjected to penalties.

Rep. Clair Engle (D Calif.), a Committee member, raised the question of whether the Interior Department can lawfully enter into long-term power contracts with non-preference customers without retaining the right to recapture power before the expiration of the contracts.

Assistant Secretary of the Interior Fred G. Aandahl cited clauses in the various statutes relating to rights of preference customers and told Engle he was confident the new marketing criteria "is within the letter of the law."

Engle, referring to the Department of Interior's position that with few exceptions power contracts with private or non-preference customers would be only for short terms, said that if "the preference clause is subject to one exception it is subject to all sorts of exceptions and after a time the preference customers may no longer exist."

William C. Wise, attorney for the Missouri Basin Electric Consumers Association, testified that the criteria was "full of bugs" and said that the rural associations objected to 20-year contracts with non-preference customers under any circumstances unless they contained provisions for making the power available to preference customers when needed.

JAN. 5 --

Witnesses asking for a revision or modification of the new marketing criteria included H. Vance Austin, manager of the Colorado State Association of REA Cooperatives; Goerge Cornog, manager of the KEM Electric Cooperative of Linton, N.D.; Harold C. Ebaugh, manager of the Hill County Electric Cooperative of Havre, Mont.; Virgil H. Herriott, manager of the Sioux Valley Empire Electric Association of Colman, S.D.; Harry Anderson, president of the Codington-Clark Electric Association of Watertown, S.D.; and John Kalcivic, manager of the Union Rural Electric Cooperative Association of Brighton, Colo.

Ancher Nelsen, Rural Electrification Administrator, testified that he had not been consulted on the drawing of the new criteria. Aandahl explained that Nelsen was not in Washington at the time.

Under questioning, Aandahl said that certain factors, including higher project costs, indicated that a future increase of government power rates in the Missouri Basin may become necessary. He said, however, that no decision had been made and that the Interior Department would consult with Congressional committees before taking such a step.

INTERLOCKING SUBVERSION -- Two members of the Senate Internal Security Subcommittee Jan. 5 said that Igor Gouzenko, former Soviet code clerk at Ottawa, had given them valuable information which could be used to protect the "internal security of the U.S." The Subcommittee, in connection with its probe of interlocking subversion in the U.S., had repeatedly sought an interview with Gouzenko, living under an assumed name in Canada. (1953 CQ Weekly Report, p. 1440.)

Chairman William E. Jenner (R Ind.) and Sen. Pat McCarran (D Nev.) said they questioned Gouzenko in Canada Jan. 4 for about five hours. Jenner said Jan. 6 he had asked Canadian authorities for permission to show the transcript of the interview to other Subcommittee members. He added he didn't know whether the transcript would be made public.

Jenner Jan. 7 introduced a resolution (S Res 172) asking for \$170,000 in new funds to finance Subcommittee probes for 1954. This is \$20,000 more than was granted to the group in 1953. Jenner said the Subcommittee still had about \$55,000 left.

Report

FOUNDATIONS PROBE -- The House Committee to Investigate Tax-Exempt Foundations Jan. 6 reported it had received replies to questionnaires it sent to 60 of the largest charitable and educational institutions exempt from the federal income tax. (1953 CQ Weekly Report, p. 1065.)

Chairman B. Carroll Reece (R Tenn.) reported the Committee had received several letters asking a probe of the Institute for Sex Research at Indiana University, headed by Dr. Alfred C. Kinsey. A Committee aide said that the Rockefeller Foundation had allocated \$120,000 to further the Institute's research.

Committee Assignment

DEFENSE PRODUCTION -- Chairman Jesse P. Wolcott (R Mich.), of the House Banking and Currency Committee, Jan. 6 announced the resignation of Rep. Wright Patman (D Tex.) from the Joint Committee on Defense Production. Wolcott, also Chairman of the Joint Committee, said Rep. Brent Spence (D Ky.) had been appointed to fill the Patman vacancy.

Coming Up

HEALTH -- The House Interstate and Foreign Commerce Committee planned to start Jan. 11 a study of disease and the cost of medical services, according to a Jan. 5 Committee statement. A subcommittee studied the matters in 1953. (1953 CQ Weekly Report, pp. 1247, 1321.)

Chairman Charles A. Wolverton (R N.J.) asserted Jan. 4 the Committee would give "serious consideration" to programs to enable "assistance to people in carrying the tremendously burdensome cost of medical attention," particularly "where hospitalization is necessary" or the illness is of a "long-term character."

TAFT-HARTLEY -- Chairman Samuel K. McConnell, Jr. (R Pa.) of the House Education and Labor Committee Jan. 6 named regulation of union welfare funds as a "must" among proposed Taft-Hartley law changes.

A subcommittee under Rep. Wint Smith (R Kan.) has been set up by McConnell to probe "labor racketeering" and the use of union welfare funds created by employer contributions. McConnell said preliminary study showed alleged abuse of union welfare funds "could develop into a national scandal."

Sen. H. Alexander Smith (R N.J.), of the Senate Labor and Public Welfare Committee said Jan. 5 he would draft a bill to carry out President Eisenhower's recommendations for Taft-Hartley revision. The White House announced Jan. 4 it would send a special labor message to Congress Jan. 11.

TRAVEL FUNDS -- Rep. Karl M. LeCompte (R Iowa), Chairman of the House Administration Committee, announced Jan. 7 that his group has opened an investigation into the use of "counterpart funds" by Congressmen who made study trips abroad during the 1953 recess. A similar inquiry has been undertaken by Rep. Clare E. Hoffman (R Mich.) and his House Government Operations Committee. (1953 CQ Weekly Report, p. 1442.) Counterpart funds are deposits of local currency by foreign nations participating in the U.S. aid program to equal the dollar value of aid granted by the U.S. (CQ Weekly Report, pp. 1-3.)

DEBT LIMIT -- Chairman Eugene D. Millikin (R Colo.) of the Senate Finance Committee said Jan. 7 he would call his committee together "at an early date" to consider the President's request for an increase in the national debt limit which was renewed in his State of the Union Message. The Senate Committee Aug. 11 tabled a bill providing for a \$15 billion increase, after the House had approved it. (1953 CQ Weekly Report, p. 1060.)

SOIL CONSERVATION -- The Senate Agriculture and Forestry Committee has scheduled hearings Jan. 14 on an Administration-requested measure (S 2549) to authorize federal cooperation with the states in projects for soil conservation, it was announced Jan. 5. Chairman George D. Aiken (R Vt.) asserted the importance of the so-called watershed bill "demands consideration and action by the Congress as soon as possible."

FARM TOUR -- The House Agriculture Committee will resume and conclude its "grass-roots" tour on farm policy with hearings in Enid, Okla., Waco, Tex., and Memphis, Tenn., Jan. 12-14, Chairman Clifford R. Hope (R Kan.) announced Jan. 2. (1953 CQ Weekly Report, p. 1335.)

MILITARY BRIEFING -- Chairman Leverett Saltonstall (R Mass.) of the Senate Armed Services Committee Jan. 5 said top Defense Department officials will be called "just as soon as possible" to give the Committee a complete briefing on the Administration's new defense policies. (CQ Weekly Report, pp. 15, 16.) Saltonstall praised orders to streamline the military and withdraw two divisions from Korea.

UPPER COLORADO BASIN -- Hearings on the proposed initial \$1.1 billion Upper Colorado River Storage Project were scheduled to begin Jan. 18 before the House Interior and Insular Affairs Committee, it was announced Jan. 4. Secretary of the Interior Douglas McKay asked President Eisenhower Dec. 12 to approve the start of the project. (1953 CQ Weekly Report, p. 1438.)

RADAR ESPIONAGE -- The hunt for alleged spies at the Army Signal Corps laboratory at Fort Monmouth, N.J., "definitely will be resumed,"

according to an announcement Jan. 5 by the Senate Permanent Investigations Subcommittee. (1953 CQ Weekly Report, p. 1440; Also, see page 32.)

Committee Briefs

AD-X2 TESTIMONY -- Chairman Edward J. Thye (R Minn.), of the Senate Small Business Committee Dec. 31 ordered a staff investigation to determine if the record of testimony in the Committee's controversial hearing on the battery additive, AD-X2, had been revised. (1953 CQ Weekly Report, p. 1357.) A news story Dec. 28 said that testimony of Massachusetts Institute of Technology professor Harold C. Weber was changed to make it favorable to AD-X2. Thye said Weber was the "only one entitled to correct his own testimony."

TAX SETTLEMENTS -- Chairman Joseph R. McCarthy (R Wis.) of the Senate Permanent Investigations Subcommittee Jan. 1 asserted the Subcommittee had lined up "more than 50" income tax compromise cases for possible investigation. He said some cases involving back taxes owed the government were settled for "ridiculously low" figures.

HEALTH, WELFARE -- Secretary of Health, Education and Welfare Oveta Culp Hobby and her top advisers met Jan. 5 with Senate Labor and Public Welfare Committee members to discuss the upcoming legislative program on health and welfare. Mrs. Hobby met with full Committee Chairman H. Alexander Smith (R N.J.) and Health and Welfare Subcommittee Chairman William A. Purtell (R Conn.).

On Tour

FOREIGN BUILDING -- Rep. Sam Coon (R Ore.), a member of the House Appropriations Committee, said Dec. 31 that as a result of exposures of extravagance made by the three Committee members who made a 19-country tour of the government's foreign building program, taxpayers will be saved more than \$10 million in the next year or so. (1953 CQ Weekly Report, p. 1462.)

TECHNICAL AID -- Sen. Edward J. Thye (R Minn.) said Dec. 31, upon his return from a 30-day global inspection tour of the technical assistance program and military installations for the Senate Appropriations Committee, that the technical aid in underdeveloped countries is effective as far as it goes but is "failing entirely in reaching the masses."

WAR THREAT RECEDING -- Sen. Dwight Griswold (R Neb.) said Jan. 5 upon his return from a visit to Europe and Asia that he had come back "with the feeling that there is not going to be a shooting war." He said that there may be "some shooting battles in small areas but there is not going to be an all-out war between Russia and the Western world."

ARAB REFUGEES -- Rep. Lawrence H. Smith (R Wis.), who led a House Foreign Affairs Committee special Arab refugee study mission said Jan. 4 that "the United States and the British must sit down and announce to the world that we are going to have peace" in the Near East.



(JAN. 1 - 7)

around the capitol

SEES DEMOCRAT SUPPORT

Democratic support of "most if not all" of President Eisenhower's legislative program was predicted Jan. 2 by Senate Republican Leader William F. Knowland (Calif.).

Knowland said Jan. 4 the threat of a filibuster would not stop the Republican Administration from bringing to the Senate any bill it believes should be enacted. He told a news conference it would be his policy to channel controversial legislation to the Senate floor early in the session.

With regard to this policy, Knowland said the St. Lawrence seaway proposal, Hawaiian statehood legislation and a proposed Constitutional amendment to limit treaty-making powers would get early attention.

If there should be a filibuster threat, Knowland warned, "We are going to have to resort to long daily sessions of the Senate."

Meanwhile, the Senate GOP leader urged Jan. 2 that the Administration extend military aid to Pakistan in spite of India's objections. If Pakistan were given the aid, Knowland said, she has "the prospect of becoming another Turkey in strength and dependability" in the free world's defenses. He said help could be extended out of existing foreign aid funds, and "to withhold American aid because of the protest of neutralist India would be discouraging to those nations willing to stand up and be counted on the side of the free world."

KOREA FORCES CUT

Additional Democratic Senators have voiced opposition to the Administration's plans to withdraw two Army divisions from Korea and to cut national defense funds. (CQ Weekly Report, p. 15.)

Sen. Richard B. Russell (D Ga.), ranking Democrat on the Armed Services Committee and a member of the Appropriations Committee, said Dec. 31 that the withdrawal of troops "smacks of appeasement" and that he would vote to eliminate all foreign aid before he would vote to reduce this country's defenses.

Sen. J. W. Fulbright (Ark.) a ranking Foreign Relations Committee Democrat, called the withdrawal "a little premature." Sen. Estes Kefauver (D Tenn.) said defense needs should be determined on the basis of security rather than on budgetary considerations.

BALANCED "CASH" BUDGET

Chairmen of the House and Senate Appropriations Committees predicted Jan. 4 that the federal budget would be balanced in fiscal 1955.

Sen. Styles Bridges (R N.H.) said the Administration plans to cut spending to the level of the Treasury's cash income (CQ Weekly Report, p. 12) in the next year. If

Jan. 1 Tax Changes

The first major tax cuts in more than the five years took effect Jan. 1, 1954. Some 58 million taxpayers (Internal Revenue Service estimates based on individual income tax returns in 1953) received a 10 per cent cut in individual income taxes; and the excess-profits tax, paid by thousands of corporations, since 1950 expired. (1953 CQ Weekly Report p. 1367).

Partially offsetting this tax relief, however, was the automatic Jan. 1 increase, from 1.5 per cent to two per cent, in social security taxes paid by employees and employers. President Eisenhower had requested that the social security tax hike be postponed. (1953 CQ Weekly Report, p. 670.)

President Eisenhower's goal of \$3 billion ceiling on the deficit for the fiscal year beginning July 1 is achieved, he said, the Treasury will have balanced its "cash" budget, with incoming revenues equaling outgoing payments. However, it will be in the red on its regular bookkeeping budget, since about \$3 billion of its receipts will be credited to Social Security and other trust funds held for later payments.

Rep. John Taber (R N.Y.) said that if present tax schedules are maintained a balanced budget will be possible. Taber, who predicted a budget "in the neighborhood of \$59 billion," said it "will provide for making proper utilization of military and civilian personnel and for the elimination of those who are not engaged in useful activity."

POWER POLICY

Seven Senators Dec. 30 appealed in vain to the Department of Interior to postpone its Jan. 1 embarkation on a "revolutionary power policy" for Missouri River Basin REA cooperatives and federal power projects. (CQ Weekly Report, 1953, p. 1458, also pp. 1089 ff). The policy is being studied by the House Interior and Insular Affairs Committee (CQ Weekly Report, pp. 9, 29) despite the fact that it was put in operation on schedule.

In a letter to the Department, the seven Senators included a statement by Under Secretary Ralph Tudor saying postponement would have been advisable. The seven: Sens. James E. Murray (D Mont.), Henry M. Jackson (D Wash.), Estes Kefauver (D Tenn.), Herbert H. Lehman (D N.Y.), Warren Magnuson (D Wash.), Mike Mansfield (D Mont.) and Wayne Morse (I Ore.).

Also Dec. 30, Rep. Usher L. Burdick (R N.D.) headed a group of 20 Representatives who said, in a statement, that the new policy would mean committing "political suicide" for the Eisenhower Administration. The Congressmen also urged a delay.

DEBT LIMIT DEBATED

Sen. Harry F. Byrd (D Va.) said Jan. 6 that he would renew his efforts to block any increase in the statutory \$275 billion debt limit, and would back his arguments with the Treasury's own figures. Byrd, who led the opposition to President Eisenhower's request for a \$290 billion limit last summer, said the Administration has vindicated his stand by staying under the \$275 billion limit so far. (1953 CQ Weekly Report, p. 1133.)

Byrd said he would present to the Senate Finance Committee a table, based on Treasury figures, showing that on June 30, 1954, the end of the current fiscal year, the national debt would be \$271,700,000,000 and the cash balance \$6,200,000,000. This, he said, would give the Treasury a "cushion" of \$9,500,000,000.

Two other Senators announced Jan. 1 they would oppose an increase in the debt limit. Sen. Edward J. Thye (R Minn.) advocated examining every proposed expenditure to avoid greater indebtedness. Sen. J. W. Fulbright (D Ark.) said he agreed with Byrd that the debt ceiling now serves as the only Congressional check on Government spending. He declared the Republican Administration should be held to its campaign promise to balance the budget.

But two Senators who voted against a boost last summer were inclined Jan. 6 to approve an increase. Sen. Walter F. George (D Ga.) said he would support a "reasonable" increase if necessary, although the idea was distasteful to him. Sen. Ralph E. Flanders (R Vt.) said he would vote for an increase of as much as \$10 billion with the hope it would not be used.

CURB MCCARTHY?

Sen. Joseph R. McCarthy (R Wis.), Chairman of the Senate Government Operations Committee and its Permanent Investigations Subcommittee, Jan. 5 denied reports that he had acceded to Administration requests that he concentrate on probing governmental waste and corruption rather than subversion. The Administration made no such requests, he said, and his subcommittee "will continue roughly in the future as it has in the past."

Several Senators criticized Congressional investigations, singling out McCarthy's Subcommittee.

Sen. Allen J. Ellender, Sr. (D La.) Jan. 5 said he will press for reduction of the Subcommittee's funds. The full Committee's authorizations, which expire Jan. 31, allot it more than \$200,000, including carry-over funds, for probes. (1953 CQ Weekly Report, p. 1158.)

Ellender charged that McCarthy's probes constitute wasteful duplication. Jan. 6, he said the Wisconsin Senator "would trample over the prerogatives of any other Senate committee to get (publicity)." McCarthy, he said, dramatizes "rehashed, plagiarized" information. McCarthy replied that anyone charging him with plagiarism "is just plain lying or doesn't know what he's talking about."

In a Jan. 5 speech, McCarthy declared that "some men of little minds and less morals who place their party above their country" may try to reduce his probe funds in

order to "whitewash treason." He expressed confidence that he will get "adequate" money. McCarthy has said that he will ask for more money this year than last.

Sen. Pat McCarran (D Nev.) said Jan. 1 that McCarthy has conducted probes which should be left to the Senate Internal Security Subcommittee, headed by William E. Jenner (R Ind.). McCarthy said investigations of subversion are not his Subcommittee's "primary purpose," and declared he had been careful to avoid duplicating probes.

Sen. Guy M. Gillette (D Iowa) said Jan. 2 that he will ask the Senate to exclude McCarthy's Subcommittee from investigating foreign relations.

Sen. John L. McClellan (D Ark.) said Jan. 4 that he may introduce a measure to supersede existing subversion-probing committees with a joint committee. Measures for this purpose, including H J Res 259, are pending. (1953 CQ Weekly Report, p. 1161.) McClellan said Jan. 1 that he does not "anticipate" returning to the Investigations Subcommittee, from which he and Sens. Henry M. Jackson (D Wash.) and Stuart Symington (D Mo.) resigned July 10. (1953 CQ Weekly Report, p. 955.)

Senate Majority Leader William F. Knowland (R Calif.) said Dec. 31 that the Republican Policy Committee may consider a rule to require approval by a committee quorum before a subpoena may be issued. He conceded that committee jurisdiction "often overlaps," but said agreements among chairmen would be the only "practical" solution.

Sen. Karl E. Mundt (R S.D.), a member of the Investigations Subcommittee, Jan. 5 proposed elevating the Jenner Internal Security Subcommittee to full committee status to enable it "to defend its jurisdiction." Mundt also suggested creation of an informal committee of Republican Congressional leaders and affected committee chairmen to resolve any disputes on probe jurisdiction.

Apart from the specific field of subversion, Rep. Jacob K. Javits (R N.Y.) Jan. 6 proposed establishment of an agency, under jurisdiction of the Comptroller General, to investigate corruption and unethical acts in the executive branch.

LABOR-SURPLUS AREAS

Comment on the Presidential order to channel more defense contracts into areas with a labor-surplus continued. (CQ Weekly Report, p. 15.) Sen. John J. Sparkman (D Ala.) Dec. 30 challenged a statement by Harvard University Economist Seymour E. Harris that the federal government has siphoned money from older regions to strengthen the competitive position of newer industrial areas. Harris said this was done partly as a result of "tremendous political power wielded by Southern Congressmen as Chairmen of important committees over a 20-year period of Democratic rule."

Sparkman asserted "too many New England leaders" try to have the "government support uneconomic industries." Sen. Leverett E. Saltonstall (R Mass.) declared that New England had "contributed billions toward building the economy of other regions" during the past 20 years.

Two Georgia Members Jan. 6 introduced bills to define the limits of the government's authority, in national emergencies, in awarding contracts. Rep. Paul Brown (D) and Henderson Lanham (D) sponsored HR 6864 and HR 6903, respectively. Sen. Burnet R. Maybank (D S.C.) said he would introduce a bill identical to the Brown bill.

Arthur S. Flemming, Director of the Office of Defense Mobilization, Dec. 31 defended as "a good, sound policy" the program for channeling defense contracts to labor-surplus areas.

WITNESS IMMUNITY

A bill (HR 6899) to give the Attorney General power to grant immunity to Congressional and court witnesses who plead their privilege against self incrimination was introduced in the House Jan. 6 by Rep. Kenneth B. Keating (R N.Y.), Chairman of the Judiciary Subcommittee which has been investigating the Justice Department.

The legislation, along with a law to make wiretapping legal, has been urged by Attorney General Herbert Brownell, Jr. (1953 CQ Weekly Report, p. 1249).

The Keating bill differed from other pending measures in that it would extend the Attorney General's immunity powers to Congressional witnesses as well as witnesses in federal court or grand jury proceedings. The measure also would require that immunity be granted by a Congressional committee only after two-thirds of the Committee's membership approves such a grant.

Rep. Keating, accepting Jan. 2 an invitation to sponsor the American Bar Association's legislative program against organized crime, said he planned to press for enactment of legislation aimed at organized syndicates. He said he would introduce measures relating to taxation of profits from criminal enterprises, control of gambling information used by bookmaking syndicates, and further development of the law of conspiracy.

SOCIAL SECURITY

Rep. Carl T. Curtis (R Neb.), Chairman of the Social Security Subcommittee of the House Ways and Means Committee, Jan. 6 introduced a bill (HR 6863) to revise the nation's social security program (see page 27.)

The bill included provisions already announced by Curtis Dec. 30 (CQ Weekly Report, p. 11). These provisions were attacked Dec. 31 by AFL president George Meany, who called them "morally dishonest." Meany said the Curtis plan would provide "blanket paid-up insurance coverage" to millions of persons out of funds contributed for years by other persons. Curtis replied that Meany had "made a vicious attack on millions of fine, deserving old people."

Rep. Robert W. Kean (R N.J.) Jan. 4 urged Congress not to let "committee delay" or "impractical proposals" stall action on proposals to broaden social security. Kean said Jan. 6 that doctors, dentists and lawyers "from Massachusetts to West Virginia" favor legislation to extend coverage to professionals.

Sen. Hugh Butler (R Neb.) said Jan. 4 Congress should act to nullify the increase in Social Security tax which automatically went into effect Jan. 1. The boost raised the tax from 1 1/2 to 2 per cent (see page 32).

NEW EXCISE TAX?

Rep. Noah M. Mason (R Ill.), a member of the House Ways and Means Committee, Jan. 6 introduced a bill (HR 6907) to levy a five per cent excise on most manufactured products at the manufacturers level. The new tax would replace the present selective excise levies on retail sales of goods and services, including admissions, communications and transportation.

Mason's bill would retain present taxes on tobacco and alcoholic beverages but would exempt foods, fertilizers, drugs, insecticides, religious articles and printed material used exclusively for the blind.

Mason estimated that the new tax would yield about \$5.5 billion annually, the amount derived from existing levies. A similar tax plan was proposed by the National Association of Manufacturers during House Ways and Means Committee hearings last summer. (1953 CQ Weekly Report, p. 1368.)

CONGRESSIONAL BRIEFS

ECONOMIC REPORT

Sen. Paul H. Douglas (D Ill.), a member of the Joint Committee on the Economic Report, Jan. 2 wrote to Dr. Arthur F. Burns, chairman of the Council of Economic Advisers, that the President's Economic Report should be submitted early in January to allow time for adequate study. The Report is required by Section 4 (c) (2) of the Employment Act of 1946, which states that the Report should be sent to Congress "at the beginning" of each session. Before amendment, the Act called for submission within 60 days after the beginning of a session. The President has scheduled his 1954 Report for Jan. 28, (see page 38).

ADJOURNMENT

House Speaker Joseph W. Martin, Jr. (R Mass.) predicted Jan. 6 that the second session would adjourn by July 1. Martin also asserted the first appropriation bill (Treasury-Post Office) would be reported to the House by the end of January.

STREAMLINE CONGRESS?

Rep. Peter Frelinghuysen, Jr. (R N.J.) Jan. 6 introduced a concurrent resolution (H Con Res 185) to establish a Joint Committee on the Organization of the Congress. The Committee would be authorized "to make a full and complete study of the organization and operation of the Congress" and "to make recommendations for strengthening Congress and simplifying its operation."

VOTING AGE

Majority Leader William F. Knowland (R Calif.) introduced Jan. 7 in the Senate a Resolution (S J Res 112) to amend the Constitution to grant 18 year olds the right to

vote. A similar measure (H J Res 342) was introduced in the House by Rep. William B. Widnall (R N.J.). The proposed legislation was suggested by President Eisenhower earlier Jan. 7 in his State of the Union Message (see page 39 ff.). The voting age is now fixed by the states and is 21 in all except Georgia, where it is 18.

PUBLIC POWER

Sen. Estes Kefauver (D Tenn.) said Jan. 4 at a meeting of the International Platform Association that the enemies of public power development "have many friends in the government" and that some of these, especially those who have forgotten that public power "is a traditional American policy," will be "electrocuted at the polls, or at least seriously shocked."

PUBLIC WORKS

Rep. Howard S. Miller (D Kan.) Jan. 6 introduced a concurrent resolution (H Con Res 189) directing Secretary of Agriculture Ezra Taft Benson to formulate plans for public works in the fields of soil conservation and flood prevention. The projects would be undertaken "at the end of the present national emergency or in time of business recession."

ATOMIC DATA

Rep. W. Sterling Cole (R N.Y.), Chairman of the Joint Committee on Atomic Energy, said Jan. 5 that he would not favor legislation to permit this country to share secret or technical information on the production of fissionable material or atomic weapons with its allies. Cole did, however, approve amending the basic atomic energy law to permit giving top military leaders of other nations in the North Atlantic Treaty Organization information on the effects and employment of atomic weapons.

URGES STATEHOOD DELAY

Rep. John R. Pillion (R N.Y.) urged Jan. 2 that statehood for Hawaii and Alaska be deferred until the Constitution is changed to limit their Senate representation. Pillion is sponsor of a Constitutional amendment to provide that new states be represented in the Senate according to population. He said immediate statehood for Hawaii would subject the GOP to Democratic charges of "packing" the Senate in favor of the GOP, since Hawaii is predominantly Republican.

SMALL BUSINESS

Sen. John Sparkman (D Ala.) said Dec. 30 that the Eisenhower Administration had failed to carry out the Congress-approved program for aid to small business. Sparkman, formerly head and now ranking Democrat on the Senate Small Business Committee, charged that for "more than seven months" the now-defunct Small Defense Plants Administration and the current Small Business Administration had been without administrators. He said the SBA failed to make a single loan to small business from July to November, 1953.

CHARGES IMMIGRATION POLITICS

Rep. Francis E. Walter (D Pa.) said Dec. 31 the Administration threw "immigration into politics" in removing from Civil Service 16 district director offices of the Immigration and Naturalization Service.

CONGRESSIONAL QUOTES

In a year-end report to constituents, Dec. 31, Rep. Allan Oakley Hunter (R Calif.) wrote: "The primary campaigns will be starting in April, but politicians will be 'pointing with pride' and 'viewing with alarm' before the second session goes into its fifth week. This means it will be a rush session, with long hours both in committee and on the floor, and Washington officialdom is already sharpening its claws for the fight."

Rep. Charles R. Howell (D N.J.) wrote in a Jan. 4 newsletter: "Somewhat belatedly (the President) announced he would confer with a bipartisan group of Democratic and Republican leaders on the coming program. ...In view of the need he will have for Democratic votes in obtaining passage of his program, it seems to me he might have shown more willingness to test the probable reactions to his program (sooner.)"

In his report to voters in his district Jan. 7, Rep. Harold C. Ostertag (R N.Y.) wrote: "Approximately 2,000 French civilians are employed by the United States at Chateauroux, France. About 500 of them are known Communists. It is my own conviction that Communists should not be employed in this or any part of an international defense program..."

Wrote Rep. Lee Metcalf (D Mont.) in a Jan. 7 report from Washington: "(In the year past) Secretary of Defense Wilson declared that 'What is good for General Motors is good for the country.' Interior Secretary McKay recommended appointment of Tom Lyon to administer the Mine Safety Code, and Lyon declared... 'human life is becoming very cheap these days,' and he didn't believe in the Code. Secretary of Commerce Weeks betrayed his ineptness in the battery additive fiasco. Secretary of Agriculture Benson alienated most of the farmers by calling farm price supports 'bounties on uneconomic production.' (There have been) many other foot-in-mouth statements (by Republicans)."

In a Dec. 30 publication of Human Events, Inc., Sen. William E. Jenner (R Ind.) wrote: "If the Eisenhower Administration has done so much (in its first year), what remains to be done? The great task (remaining) is the task of making a new American foreign policy, one wholly untainted by Hopkins, Acheson, Hiss and Harry White, a foreign policy that will never again assume that a stalemate is a substitute for victory."

In a Jan. 4 statement on Social Security, Rep. Robert W. Kean (R N.J.), a member of the House Ways and Means Committee, wrote: "Today there are many thousands of people who are unable to realize the full amount of benefits ... because of permanent and total disability. I think ... we should enact a waiver of premium provision Steps should also be taken to liberalize the wage clause which sets a maximum of \$75 a month on earnings without loss of benefits."

Sen. Thomas C. Hennings, Jr. (D Mo.), in a Dec. 28 report from Washington told of some testimony received by the Senate Judiciary Subcommittee on Juvenile Delinquency, of which he is a member. "Juveniles," Hennings declared, "slash auto tires, break plate-glass windows and wire doors. When caught, youngsters taunt (police officers) with: 'You can't do anything to me -- I'm a juvenile.'"



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political notes

PATRONAGE

The Republican National Committee said Jan. 6 that about 5,000 persons are listed with the group as wanting jobs in the Eisenhower Administration, while there are only about 200 political jobs open, including that of solicitor general and librarian of the Library of Congress. The Committee has made 5,000 job placements since the Eisenhower Administration took over, and many other replacements have been made by Republican Congressmen, it said.

In a weekly newsletter, Rep. Paul W. Shafer (R Mich.) Jan. 4 described the GOP patronage problem in filling postmaster jobs. "Strange as it may seem, the Republican Administration and Republican Members of Congress...have a fight on their hands to avoid being compelled to appoint only Democrats to vacant postmasterships," Shafer declared.

He said that the "New Deal-Fair Deal party" not only put Democrats in all postmasterships, but forced life tenure "for all postmasters through Congress 17 years ago." In addition former President Truman blanketed 50,000 temporary, non-competitive employees into civil service in July, 1952, he maintained. Now civil service registers are "packed" with Democrats seeking postmaster appointments, many of them veterans with preferential ratings, and examinations are conducted by postal boards and inspectors who are "predominately Democratic," Shafer said.

"Small wonder," he observed, "that Republicans have a fight on their hands to get Republicans named on the register of three approved candidates from which, under the law, a selection must be made."

FREEDOM OF SPEECH

Among the Democratic postmasters being retained at their posts is Ervin F. Spratt of Elkhart, Iowa, who was notified last month that he faced disciplinary action because he called the President an unprintable name and remarked that Postmaster General Arthur E. Summerfield only knew "how to sell cars." Summerfield said on Jan. 1 that no postmaster "should feel that the expression of his opinion...subjects him to contemplated dismissal" since he "has as much right of free expression of opinion as any other citizen."

Mrs. Marguerite Mullen, postmaster of Alice, Tex., since 1934, was notified that she was to be replaced on Jan. 2. She charged "politics" in the direction of Washington and closed her accounts. The 165,000 citizens of Alice were left without stamp and other services. A clerk remained to handle mail.

ADA

Robert R. Nathan, chairman of the executive committee of Americans for Democratic Action, told a press conference Dec. 29 that his political-action group now has 45,000 members in 125 chapters in 39 states. There

are no ADA chapters in Utah, Arizona, North and South Dakota, Arkansas, Idaho, Mississippi, Vermont and South Carolina, probably because of a shortage of field organizers, Nathan observed.

Nathan outlined ADA's legislative program for 1954 (CQ Weekly Report, p. 16), and said the organization was particularly interested in the continuation of the foreign aid programs and supporting "standby measures" to protect the nation against an economic relapse.

Nathan said that ADA would support liberals of both parties for Congress and other offices in 1954. He doubted that ADA would again support former Rep. Foster Furcolo (D Mass.), now state treasurer of Massachusetts, should Furcolo run again this year. Furcolo has received ADA support since he ran for Congress in 1948. Invited to speak before the Massachusetts state convention of the ADA in Boston on Dec. 12, Furcolo accused the group of "undermining the program of the Democratic Party" and advised it to disband in the interests of the party. The Washington chapter of ADA said Jan. 6 that "neither the state chapter in Massachusetts nor the national organization plans to follow Furcolo's advice."

Nathan said that he did not see any competition for funds or otherwise between the ADA and the Democratic party because "ADA has a broader purpose--to support liberal candidates of both parties." It would not and has not raised funds to support such Democrats as Sens. Harry Flood Byrd (D Va.) or Pat McCarran (D Nev.), he said.

NEW PUBLICATION

The Republican National Committee this month will start publication of a monthly four-page paper which will be distributed free to about 150,000 GOP party workers to inform them of the Republican point of view on the issues in the 1954 election. It will be the first monthly publication of the Committee since the "Chairman's Letter" was suspended in April, 1952.

The GOP paper will be in contrast to the Democratic Digest, a pocket-sized magazine of general circulation which runs 112 pages a month and sells for 25 cents on newsstands, or \$3 a year. The Digest was first published in July, and its circulation now runs about 100,000 a month.

"MOST CALLOUS CONGRESS?"

James B. Carey, CIO secretary-treasurer, charged in Chicago Dec. 28 that the first session of the 83rd Congress was the "poorest, most lobby-ridden, most callous Congress in the history of this generation." He declared, "it makes the do-nothing 80th Congress that Harry Truman so effectively exposed look like an angel's dream."

Labor also is disturbed about the fact that 1953 closed with 14 states having on their statute books laws

which "either restrict or prohibit union security," according to Gordon H. Cole, editor of *The Machinist*. Alabama enacted a law in 1953 making it illegal to require membership in a labor union as a condition for securing or holding a job. Other states having similar laws are Arizona, Arkansas, Florida, Georgia, Iowa, Nebraska, Nevada, North Carolina, North Dakota, South Dakota, Tennessee, Texas and Virginia.

State Roundup

ALABAMA: Republicans are preparing for their first state-wide primary in almost 30 years, on May 4... Former-Rep. Joe Starnes (D) who served in Congress from 1935-44 and is considering running against Sen. John Sparkman (D) this year, is making a swing around the state to "sound out sentiment."

CALIFORNIA: William G. Bonelli, chairman of the state Board of Equalization, announced Jan. 3 that he is switching his political affiliation from Republican to Democratic because of what he called the Chandler interests' "political, economic and social enslavement" of the state "through the Republican Party and its kow-towing leadership." Norman Chandler is publisher of the *Los Angeles Times* and Mirror and owns television station KTTV. Speaking for itself in reply to Bonelli's charges, the *Times* denied that its influence was as extensive as Bonelli claimed and noted that Bonelli had usually solicited and obtained *Times* support in his political campaigns. "After all," it concluded, "we could both be wrong." The *Mirror* recently ran a series of articles about granting liquor licenses to men with criminal records and it noted what it described as the wealth of Bonelli, who is in charge of granting such licenses.

MARYLAND: Clarence W. Miles (D), Baltimore attorney and president of the Baltimore Baseball Orioles, and former Gov. William Preston Lane, Jr., (D) announced Jan. 2 and Jan. 3 that they are not candidates for governor. Their announcements were made just before a Jan. 4 "harmony" meeting of state Democratic leaders to try to iron out factionalism in the party.

MINNESOTA: Sen. Edward J. Thye (R) said Dec. 31 that a number of state Republican leaders would like to "draft" Dr. Charles W. Mayo, Rochester surgeon and a U.S. alternate delegate to the United Nations, as the GOP nominee for the Senate seat now held by Sen. Hubert H. Humphrey (D).

MISSOURI: Former Rep. Max Schwabe (R), who served in Congress from 1943-48, was appointed Missouri state director of the Farmers Home Administration on Dec. 22. He took over his new duties Jan. 4.

NEW JERSEY: Sen. Robert C. Hendrickson (R) announced Dec. 31 that he is a candidate for re-election to a second Senate term. He expressed "a fond hope" that he would not have opposition in the GOP primary April 20. State Sen. Malcolm S. Forbes (R) has indicated that he may oppose Hendrickson. Sen. H. Alexander Smith (R) said Jan. 4 that he "warmly welcomed" the Hendrickson candidacy... Former Rep. J. Parnell Thomas (R) who served a prison term for receiving kickbacks while in office (CQ Almanac, Vol. V, 1949, p. 605), said

Dec. 30 that he may run for Congress against Rep. William B. Widnall (R) in the Seventh District.

NEW YORK: Robert F. Wagner, Jr. (D) took over as mayor of New York on Jan. 1 and Hulan E. Jack (D) took over Wagner's old job as Manhattan Borough president Dec. 31. Jack, a Negro, said his elective position was the highest ever attained by a member of his race in the history of this country... Former Mayor Vincent R. Impellitteri (D) was sworn in Jan. 2 as a Justice of the Court of Special Sessions. Both Wagner and Impellitteri maintained that "no deal" was involved in the latter's appointment. ... Gov. Thomas E. Dewey (R) Dec. 28 appointed William B. Herlands, special prosecutor for Staten Island, to be state Commissioner of Investigation, a new "watchdog" post created by the state legislature to investigate the conduct of any public official in the executive branch of the state government.

PENNSYLVANIA: Rep. Leon H. Gavin (R) of the 23rd district, who is in his sixth term in Congress, Jan. 6 announced his candidacy for re-election.

Rep. Louis E. Graham (R) said Jan. 6 that he would seek re-election for a ninth term. He represents the 25th District.

SOUTH DAKOTA: Sen. Karl E. Mundt (R) announced Dec. 31 that he will seek a second Senate term.

TENNESSEE: The state constitution has been amended for the first time in 83 years. One amendment increases the governor's term from two to four years while barring right of succession. The new law takes effect next year. In the past, governors have been elected for a two-year term, could be re-elected twice. The new law does not affect Gov. Frank G. Clement (D) who has said that he will be a candidate in this year's primary, but has not named the office he will seek.

WASHINGTON: Sen. Warren G. Magnuson (D) said Jan. 4 that a "recall campaign" may be started against Gov. Arthur B. Langlie (R) because of his "misrepresentation" of the views of the people of Washington on the subject of public power. Magnuson declared that Washington voters have favored at the ballot box for the past 20 years "cheap publicly owned power," and their position should not be "perverted" by "one who has been publicly designated as a proponent of private power." Holland Houston, Langlie's power adviser, recently testified before the Federal Power Commission in support of applications by the Idaho Power Company for three Snake river dams. A spokesman for Langlie said Jan. 6 that the governor was not worried about "a recall threat made by Sen. Magnuson," and noted that Langlie is a three-term governor.

WISCONSIN: Rep. Lester R. Johnson (D) said Jan. 3 that "five or six other Wisconsin districts can easily go Democratic", as the Ninth district did last Oct. 13, in a special election -- providing the Democrats choose aggressive candidates who work hard to win.



(JAN. 1 - 7)

the executive branch

STATE OF THE UNION

Listing his Administration's purposes as protection of American freedom, maintenance of a strong economy, and concern for "human problems," President Eisenhower Jan. 7 delivered his State of the Union message (for text, see page 40), asking Congress to:

Continue foreign military and technical assistance
Reduce foreign economic aid
Continue aid to Formosa and Indo-China
Authorize the President to transfer all foreign assistance funds

Permit merger of foreign assistance and regular defense funds

Grant the Secretary of Defense "primary responsibility" for administration of military foreign aid, "in accordance with" the Secretary of State's policy guidance

Consent to ratification (Senate action only) of a mutual security pact with the Republic of Korea

Create "a healthier and freer system of trade and payments within the free world"

Authorize U.S. to share with its allies "certain knowledge of the tactical use of our nuclear weapons"

Grant "more generous" fringe benefits to make professional military service more attractive

Strengthen the military reserves

Approve U.S. participation in construction of the St. Lawrence Seaway

Strengthen, in cooperation with state and local authorities, continental and civil defense

Authorize more money to expedite the federal employee-security program

Provide for forfeiture of citizenship by those convicted of conspiring to advocate violent overthrow of the government

Strengthen the government's hand in combating subversion through legislation on immunity claimed under the Fifth Amendment

Nurture the economy by providing for: Flexible credit and debt management; taxation measures to stimulate spending; lending, guaranteeing, insuring, and grant-in-aid activities; strengthened Social Security; improved farm programs; public works; encouragement of foreign trade and investment

Raise the debt limit

Revise the tax system to eliminate "inequities" and encourage enterprise

Extend the 52 per cent corporation-income tax rate one year beyond April 1

Extend present excise-tax rates

Extend the Renegotiation Act of 1951

Encourage consumption, rather than storage, of farm commodities through a gradual introduction of greater flexibility in price supports, which would help farmers achieve "full parity in the market" while promoting individual freedom

Switch gradually to modernized parity

Authorize federal conservation and resource development projects "with local sharing of cost wherever appropriate and feasible"

Other Messages

Other Presidential messages will develop the program outlined in the State of the Union message. Here is the time-table:

Jan. 11 -- Agriculture
Jan. 11 -- Labor
Jan. 14 -- Social Security
Jan. 18 -- Health
Jan. 21 -- Budget
Jan. 25 -- Housing
Jan. 28 -- Economic Report

Dates for additional messages, reports, and other communications have not yet been announced. They will concern such matters as: Foreign aid; foreign trade; armed forces reserves; economic preparedness; water resources; public lands; domestic production of critical and strategic metals and minerals; inter-governmental relations (in fields as highway construction); and simplification of federal grants for welfare programs.

Continue construction and operation of flood control, power, irrigation, and water-supply projects which are beyond local capacity and consistent with the nation's needs

Strengthen agricultural conservation and up-stream flood-prevention, in balance with major down-stream flood-control projects

Adopt a "uniform and consistent" water-resources policy

Revise public-lands policy

Safeguard domestic production of critical and strategic metals and minerals

Protect natural resources and natural and historic sites

Enact pending legislation (presumably HR 4023 and S 1491) on federal grazing lands

Continue the federal government's "central role" in the Federal Aid Highway Program

Cancel the half-cent cut in federal gasoline tax scheduled for April 1

Raise postal rates as provided in HR 6052

Create a permanent commission to set future postal rates

Extend unemployment protection to about 6.5 million workers, including civilian federal employees, not now covered (and consider future recommendations on minimum wages)

Revise the "basically...sound" Taft-Hartley Act

Improve and extend (to about 10 million more persons) Social Security Old-Age and Survivors Insurance

Adopt new formulas for reducing federal grants to states for aid to the aged and for simplifying federal aid to state welfare programs

Strengthen the program for rehabilitating the disabled

Encourage medical research

Broaden the Hospital Survey and Construction Act

- Help state health and rehabilitation programs
- Promote broader coverage of private health insurance through "limited Government reinsurance"
- Help certain states construct schools
- Act on recommendations stemming from a series of conferences on education, which President hopes will be called
- Modernize federal home-mortgage insurance program
- Revise system of loans and grants for slum clearance
- Insure private loans for neighborhood rehabilitation
- Insure long-term mortgage loans, with small down payments, for low-income families
- Continue temporarily the Housing Act of 1949
- Cooperate with states in adopting uniform standards to allow overseas servicemen to vote
- Grant the District of Columbia national suffrage and local self-government
- Revise D.C. revenue measures to provide public works
- Admit Hawaii to the Union in time for the 1954 elections
- Propose a Constitutional amendment to permit 18-year-olds to vote

ON FOREIGN AFFAIRS

Discussing foreign affairs, the President declared that U.S. policy "rests firmly" on the North Atlantic Treaty Organization, and called European unity, including France and Germany, "vital."

With allied strength growing, he said, "we shall be in an improved position" to negotiate with Russia, and "shall be glad to do so whenever there is a reasonable prospect of constructive results."

The President pledged maintenance of "a massive capability to strike back" against aggression.

"More realistic plant-expansion and stockpiling goals" have emerged from studies of mobilization needs, he reported.

NATIONAL ECONOMY

Turning to the national economy, he declared that the transition from war to peace can be accomplished "without serious interruption in our economic growth," but requested "economic preparedness" measures.

He claimed a \$7 billion reduction of spending in the current fiscal year, and estimated a further cut of \$5 billion in fiscal 1955. The new budget, he said, will "move...closer to a balance." He promised further tax cuts "when budget savings and sound governmental financing are assured..."

Introducing the topic of labor and welfare, the President declared that "banishment of destitution and cushioning the shock of personal disaster on the individual are proper concerns of all levels of government..."

Although "flatly opposed to the socialization of medicine," Mr. Eisenhower said the federal government "can do many helpful things" in the face of "severe hardships" which medical costs impose on many.

Boxscore Remnants

According to the CQ Boxscore of Congressional action on Presidential requests, 12 of Mr. Eisenhower's 44 recommendations in 1953 were not finally approved. (1953 CQ Weekly Report, pp. 1044-45.) In the Jan. 7 message, he reiterated eight of the 12 requests: Extend Social Security coverage; amend Taft-Hartley; grant Hawaii statehood; grant District of Columbia local self-government (in 1953, he requested only study); increase postal rates; extend excise taxes; extend corporation-income taxes at present rates; raise debt limit.

The President did not renew the following requests: Postpone for one year the Jan. 1, 1954, increase in Social Security taxes; amend the McCarran-Walter Immigration Act; increase number of D. C. Commissioners from three to five; adopt resolution of non-recognition of Soviet enslavement of peoples.

Some of these four omitted requests may be submitted in future messages. A spokesman at the Department of Health, Education and Welfare said Jan. 7, with White House clearance, that the President will not renew his request for a "freeze" on Social Security taxes because of the broad Social Security overhaul to be recommended. The "non-recognition" proposal is considered dead.

The new farm program, the President emphasized, must be instituted gradually, allowing no "abrupt downward change in the dollar level or in the percentage level of price supports". Existing surpluses, he said, will have to be "insulated" from the market and disposed of through such special uses as school lunches, disaster relief, and reserve stockpiling.

Fiscal 1955 will see the start of work on 23 conservation and resource-development projects with federal participation, he said.

In discussing the highway program, he referred to the study by the Commission on Intergovernmental Relations on financing (see page 23.)

The President led into his recommendations by reviewing the "momentum" achieved during his first year in office. Highlights, he said, included: Peace in Korea; prosperity; control of inflation; reduction in the cost of government; growth of military strength; reduction of segregation in federal activities; political victories in West Germany and Iran; signs that "tyranny is in trouble" and that its structure is "brittle."

In "a great strategic change," Mr. Eisenhower said, "the initiative...is becoming ours."

PRELIMINARY CONFERENCES

Congressional leaders conferred with the President and Administration officials before delivery of the message. Jan. 4, Republican leaders got a preview of the message. Jan. 5, leaders of both parties conferred on aspects of the Administration program dealing with foreign affairs, foreign aid, and national security.

PRESIDENT'S STATE OF UNION MESSAGE

Here is the text of President Eisenhower's State Of The Union message, which he delivered to a joint session of the houses of Congress on Jan. 7. (See page 38.)

THE WHITE HOUSE

MR. PRESIDENT, MR. SPEAKER, MEMBERS OF THE EIGHTY-THIRD CONGRESS:

It is a high honor again to present to the Congress my views on the state of the Union and to recommend measures to advance the security, prosperity and well-being of the American people.

All branches of this Government -- and I venture to say both of our great parties -- can support the general objective of the recommendations I make today, for that objective is the building of a stronger America. A nation whose every citizen has good reason for bold hope; where effort is rewarded and prosperity is shared; where freedom expands and peace is secure -- that is what I mean by a stronger America.

Toward this objective a real momentum has been developed during this Administration's first year in office. We mean to continue that momentum and to increase it. We mean to build a better future for this nation.

Much for which we may be thankful has happened during the past year.

First of all we are deeply grateful that our sons no longer die on the distant mountains of Korea. Although they are still called from our homes to military service, they are no longer called to the field of battle.

The nation has just completed the most prosperous year in its history. The damaging effect of inflation on the wages, pensions, salaries and savings of us all has been brought under control. Taxes have begun to go down. The cost of our government has been reduced and its work proceeds with some 183,000 fewer employees; thus the discouraging trend of modern governments toward their own limitless expansion has in our case been reversed. The cost of armaments becomes less oppressive as we near our defense goals; yet we are militarily stronger every day. During the year, creation of the new Cabinet Department of Health, Education, and Welfare symbolized the government's permanent concern with the human problems of our citizens.

Segregation in the armed forces and other Federal activities is on the way out. We have also made progress toward its abolition in the District of Columbia. These are steps in the continuing effort to eliminate inter-racial difficulty.

Some developments beyond our shores have been equally encouraging. Communist aggression, halted in Korea, continues to meet in Indo-China the vigorous resistance of France and the Associated States, assisted by timely aid from our country. In West Germany, in Iran, and in other areas of the world, heartening political victories have been won by the forces of stability and freedom. Slowly but surely, the free world gathers strength. Meanwhile, from behind the iron curtain, there are signs that tyranny is in trouble and reminders that its structure is as brittle as its surface is hard.

There has been in fact a great strategic change in the world during the past year. That precious intangible, the initiative, is becoming ours. Our policy, not limited to mere reaction against crises provoked by others, is free to develop along lines of our choice not only abroad, but at home. As a major theme for American policy during the coming year, let our joint determination be to hold this new initiative and to use it.

We shall use this initiative to promote three broad purposes: First, to protect the freedom of our people; second, to maintain a strong, growing economy; third, to concern ourselves with the human problems of the individual citizen.

Only by active concern for each of these purposes can we be sure that we are on the forward road to a better and a stronger America. All my recommendations today are in furtherance of these three purposes.

Foreign Affairs

American freedom is threatened so long as the world Communist conspiracy exists in its present scope, power and hostility. More closely than ever before, American freedom is interlocked with the freedom of other people. In the unity of the free world lies our best chance to reduce the Communist threat without war. In the task of maintaining this unity and strengthening all its parts, the greatest responsibility falls naturally on those who, like ourselves, retain the most freedom and strength.

We shall, therefore, continue to advance the cause of freedom on foreign fronts.

In the Far East, we retain our vital interest in Korea. We have negotiated with the Republic of Korea a mutual security pact which develops our security system for the Pacific and which I shall promptly submit to the Senate for its consent to ratification. We are prepared to meet any renewal of armed aggression in Korea. We shall maintain indefinitely our bases in Okinawa. I shall ask the Congress to authorize continued material assistance to hasten the successful conclusion of the struggle in Indo-China. This assistance will also bring closer the day when the Associated States may enjoy the independence already assured by France. We shall also continue military and economic aid to the Nationalist Government of China.

In South Asia, profound changes are taking place in free nations which are demonstrating their ability to progress through democratic methods. They provide an inspiring contrast to the dictatorial methods and backward course of events in Communist China. In these continuing efforts, the free peoples of South Asia can be assured of the support of the United States.

In the Middle East, where tensions and serious problems exist, we will show sympathetic and impartial friendship.

In Western Europe our policy rests firmly on the North Atlantic Treaty. It will remain so based as far ahead as we can see. Within its organization, the building of a united European community, including France and Germany, is vital to a free and self-reliant Europe. This will be promoted by the European Defense Community which offers assurance of European security. With the coming of unity to western Europe, the assistance this Nation can render for the security of Europe and the free world will be multiplied in effectiveness.

In the Western Hemisphere, we shall continue to develop harmonious and mutually beneficial cooperation with our neighbors. Indeed, solid friendship with all our American neighbors is a cornerstone of our entire policy.

In the world as a whole, the United Nations, admittedly still in a state of evolution, means much to the United States. It has given uniquely valuable services in many places where violence threatened. It is the only real world forum where we have the opportunity for international presentation and rebuttal. It is a place where the nations of the world can, if they have the will, take collective action for peace and justice. It is a place where the guilt can be squarely assigned to those who fail to take all necessary steps to keep the peace. The United Nations deserves our continued firm support.

FOREIGN ASSISTANCE AND TRADE

In the practical application of our foreign policy, we enter the field of foreign assistance and trade.

Military assistance must be continued. Technical assistance must be maintained. Economic assistance can be reduced. However, our economic programs in Korea and in a few other critical places of the world are especially important, and I shall ask Congress to continue support in these particular areas in the next fiscal year.

The forthcoming Budget Message will propose maintenance of the Presidential power of transferability of all assistance funds and will ask authority to merge these funds with the regular defense funds. It will also propose that the Secretary of Defense have primary responsibility for the administration of foreign military assistance in accordance with the policy guidance provided by the Secretary of State.

The fact that we can now reduce our foreign economic assistance in many areas is gratifying evidence that its objectives are being achieved. By continuing to surpass her prewar levels of economic activity, Western Europe gains self-reliance. Thus our relationship enters a new phase which can bring results beneficial to our taxpayers and our allies alike, if still another step is taken.

This step is the creation of a healthier and freer system of trade and payments within the free world -- a system in which our allies can earn their own way and our own economy can continue to flourish. The free world can no longer afford the kinds of arbitrary restraints on trade that have continued ever since the war. On this problem I shall submit to the Congress detailed recommendations, after our joint Commission on Foreign Economic Policy has made its report.

ATOMIC ENERGY PROPOSAL

As we maintain our military strength during the coming year and draw closer the bonds with our allies, we shall be in an improved position to discuss outstanding issues with the Soviet Union. Indeed we shall be glad to do so whenever there is a reasonable prospect of constructive results. In this spirit the atomic energy proposals of the United States were recently presented to the United Nations General Assembly. A truly constructive Soviet reaction will make possible a new start toward an era of peace, and away from the fatal road toward atomic war.

DEFENSE

Since our hope for all the world is peace, we owe ourselves and the world a candid explanation of the military measures we are taking to make that peace secure.

As we enter this new year, our military power continues to grow. This power is for our own defense and to deter aggression. We shall not be aggressors, but we and our allies have and will maintain a massive capability to strike back.

Here are some of the considerations in our defense planning:

First, while determined to use atomic power to serve the usages of peace, we take into full account our great and growing number of nuclear weapons and the most effective means of using them against an aggressor if they are needed to preserve our freedom. Our defense will be stronger if, under appropriate security safeguards, we share with our allies certain knowledge of the tactical use of our nuclear weapons. I urge the Congress to provide the needed authority.

Second, the usefulness of these new weapons creates new relationships between men and materials. These new relationships permit economies in the use of men as we build forces suited to our situation in the world today. As will be seen from the Budget Message on January 21, the air power of our Navy and Air Force is receiving heavy emphasis.

Third, our armed forces must regain maximum mobility of action. Our strategic reserves must be centrally placed and readily deployable to meet sudden aggression against ourselves and our allies.

Fourth, our defense must rest on trained manpower and its most economical and mobile use. A professional corps is the heart of any security organization. It is necessarily the teacher and leader of those who serve temporarily in the discharge of the obligation to help defend the Republic. Pay alone will not retain in the career service of our armed forces the necessary numbers of long-term personnel. I strongly urge, therefore, a more generous use of other benefits important to service morale. Among these are more adequate living quarters and family housing units, and medical care for dependents.

Studies of military manpower have just been completed by the National Security Training Commission and a Committee appointed by the Director of the Office of Defense Mobilization. Evident weaknesses exist in the state of readiness and organization of our reserve forces. Measures to correct these weaknesses will be later submitted to the Congress.

Fifth, the ability to convert swiftly from partial to all-out mobilization is imperative to our security. For the first time, mobilization officials know what the requirements are for 1,000 major items needed for military uses. These data, now being related to civilian requirements and our supply potential, will show us the gaps in our mobilization base. Thus we shall have more realistic plant-expansion and stockpiling goals. We shall speed their attainment. This Nation is at last to have an up-to-date mobilization base -- the foundation of a sound defense program.

Another part of this foundation is, of course, our continental transport system. Some of our vital heavy materials come increasingly from Canada. Indeed our relations with Canada, happily always close, involve more and more the unbreakable ties of strategic inter-dependence. Both nations now need the St. Lawrence Seaway for security as well as for economic reasons. I urge the Congress promptly to approve our participation in its construction.

Sixth, military and non-military measures for continental defense must be and are being strengthened. In the current fiscal year we are allocating to these purposes an increasing portion of our effort, and in the next fiscal year, we shall spend nearly a billion dollars more for them than in 1953.

An indispensable part of our continental security is our civil defense effort. This will succeed only as we have the complete cooperation of State Governors, Mayors, and voluntary citizen groups. With their help we can advance a cooperative program which, if an attack should come, would save many lives and lessen destruction.

The defense program recommended in the 1955 Budget is consistent with all of the considerations which I have just discussed. It is based on a new military program unanimously recommended by the Joint Chiefs of Staff and approved by me following consideration by the National Security Council. This new program will make and keep America strong in an age of peril. Nothing should bar its attainment.

The international and defense policies which I have outlined will enable us to negotiate from a position of strength as we hold our resolute course toward a peaceful world. We now turn to matters which are normally characterized as domestic, well realizing that what we do abroad affects every phase of our daily lives -- from the amount of taxes to our very state of mind.

INTERNAL SECURITY

Under the standards established for the new employee security program, more than 2200 employees have been separated from the Federal government. Our national security demands that the investigation of new employees and the evaluation of derogatory information respecting present employees be expedited and concluded at the earliest possible date. I shall recommend that the Congress provide additional funds where necessary to speed these important procedures.

From the special employment standards of the Federal Government I turn now to a matter relating to American citizenship. The subversive character of the Communist Party in the United States has been clearly demonstrated in many ways, including court proceedings. We should recognize by law a fact that is plain to all thoughtful citizens -- that we are dealing here with actions akin to treason -- that when a citizen knowingly participates in the Communist conspiracy he no longer holds allegiance to the United States.

I recommend that Congress enact legislation to provide that a citizen of the United States who is convicted in the courts of hereafter conspiring to advocate the overthrow of this government by force or violence be treated as having, by such act, renounced his allegiance to the United States and forfeited his United States citizenship.

In addition, the Attorney General will soon appear before your Committees to present his recommendations for needed additional legal weapons with which to combat subversion in our country and to deal with the question of claimed immunity.

II

Strong Economy

I turn now to the second great purpose of our government: Along with the protection of freedom, the maintenance of a strong and growing economy.

The American economy is one of the wonders of the world. It undergirds our international position, our military security, and the standard of living of every citizen. This Administration is determined to keep our economy strong and to keep it growing.

At this moment, we are in transition from a wartime to a peacetime economy. I am confident that we can complete this transition without serious interruption in our economic growth. But we shall not leave this vital matter to chance. Economic preparedness is fully as important to the nation as military preparedness.

Subsequent special messages and the Economic Report on January 28 will set forth plans of the Administration and its recommendations for Congressional action. These will include: flexible credit and debt management policies; tax measures to stimulate consumer and business spending; suitable lending, guaranteeing, insuring and grant-in-aid activities; strengthened old age and unemployment insurance measures; improved agricultural programs; public works plans laid well in advance; enlarged opportunities for international trade and investment. This mere enumeration of these subjects implies the vast amount of study, coordination and planning, to say nothing of authorizing legislation, that altogether make our economic preparedness complete.

If new conditions arise that require additional administrative or legislative action, the Administration will still be ready. A government always ready, as this is, to take well-timed and vigorous action, and a business community willing, as ours is, to plan boldly and with confidence, can between them develop a climate assuring steady economic growth.

THE BUDGET

I shall submit to the Congress on January 21 the first budget prepared by this Administration, for the period July 1, 1954 through June 1955.

This budget is adequate to the current needs of the government. It recognizes that a Federal budget should be a stabilizing factor in the economy. Its tax and expenditure programs will foster individual initiative and economic growth.

Pending the transmittal of my Budget Message, I shall mention here only a few points about our budgetary situation.

First, one of our initial acts was to revise, with the cooperation of the Congress, the Budget prepared before this Administration took office. Requests for new appropriations were greatly reduced. In addition, the spending level provided in that Budget for the current fiscal year has been reduced by about \$7,000,000,000. In the next fiscal year we estimate a further reduction in expenditures of more than \$5,000,000,000. This will reduce the spending level over the two fiscal years by more than \$12,000,000,000. We are also reducing further our requests for new appropriations.

Second, despite the substantial loss of revenue in the coming fiscal year, resulting from tax reductions now in effect and tax adjustments which I shall propose, our reduced spending will move the new budget closer to a balance.

Third, by keeping new appropriation requests below estimated revenues, we continue to reduce the tremendous accumulation of unfilled obligations incurred by the Government under past appropriations.

Fourth, until those claims on our Government's revenues are further reduced, the growth in the public debt cannot be entirely stopped. Because of this -- because the Government's bills have to be paid every month, while the tax money to pay them comes in with great unevenness within the fiscal year -- and because of the need for flexibility to manage this enormous debt, I find it necessary to renew my request for an increase in the statutory debt limit.

TAXES

The new budget provides for a lower level of taxation than has prevailed in preceding years. Six days ago individual income taxes were reduced and the excess profits tax expired. These tax reductions are justified only because of the substantial reductions we already have made and are making in governmental expenditures. As additional reductions in expenditures are brought gradually but surely into sight, further reductions in taxes can and will be made. When budget savings and sound governmental financing are assured, tax burdens should be reduced so that taxpayers may spend their own money in their own way.

While we are moving toward lower levels of taxation we must thoroughly revise our whole tax system. The groundwork for this revision has already been laid by the Committee on Ways and Means of the House of Representatives, in close consultation with the Department of the Treasury. We should now remove the more glaring tax inequities, particularly on small taxpayers; reduce restraints on the growth of small business; and make other changes that will encourage initiative, enterprise and production. Twenty-five recommendations toward these ends will be contained in my Budget Message.

Without attempting to summarize these manifold reforms, I can here illustrate their tendency. For example, we propose more liberal

tax treatment for dependent children who work, for widows or widowers with dependent children, and for medical expenses. For the business that wants to expand or modernize its plant, we propose liberalized tax treatment of depreciation, research and development expenses, and retained earnings.

Because of the present need for revenue the corporation income tax should be kept at the current rate of 52% for another year, and the excise taxes scheduled to be reduced on April first, including those on liquor, tobacco, gasoline and automobiles, should be continued at existing rates.

Immediate extension of the Renegotiation Act of 1951 is also needed to eliminate excessive profits and to prevent waste of public funds in the purchase of defense materials.

AGRICULTURE

The well being of our 160 million people demands a stable and prosperous agriculture. Conversely, every farmer knows he cannot prosper unless all America prospers. As we seek to promote increases in our standard of living, we must be sure that the farmer fairly shares in that increase. Therefore, a farm program promoting stability and prosperity in all elements of our agriculture is urgently needed.

Agricultural laws now in effect successfully accomplished their wartime purpose of encouraging maximum production of many crops. Today, production of these crops at such levels far exceeds present demand. Yet the laws encouraging such production are still in effect. The storage facilities of the Commodity Credit Corporation bulge with surplus stocks of dairy products, wheat, cotton, corn, and certain vegetable oils; and the Corporation's presently authorized borrowing authority -- \$6,750,000,000 -- is nearly exhausted. Some products, priced out of domestic markets, and others, priced out of world markets, have piled up in government hands. In a world in which millions of people are hungry, destruction of food would, of course, be unconscionable. Yet surplus stocks continue to threaten the market, and in spite of the acreage controls authorized by present law, surpluses will continue to accumulate.

We confront two alternatives. The first is to impose still greater acreage reductions for some crops and apply rigid Federal controls over the use of the diverted acres. This will regiment the production of every basic agricultural crop. It will place every producer of those crops under the domination and control of the Federal government in Washington. This alternative is contrary to the fundamental interests, not only of the farmer, but of the Nation as a whole. Nor is it a real solution to the problem facing us.

The second alternative is to permit the market price for these agricultural products gradually to have a greater influence on the planning of production by farmers, while continuing the assistance of the government. This is the sound approach. To make it effective, surpluses existing when the new program begins must be insulated from the normal channels of trade for special uses. These uses would include school lunch programs, disaster relief, emergency assistance to foreign friends, and of particular importance the stockpiling of reserves for a national emergency.

Building on the agricultural laws of 1948 and 1949, we should establish a price support program with enough flexibility to attract the production of needed supplies of essential commodities and to stimulate the consumption of those commodities that are flooding American markets. Transition to modernized parity must be accomplished gradually. In no case should there be an abrupt downward change in the dollar level or in the percentage level of price supports.

Next Monday, I shall transmit to the Congress my detailed recommendations embodying this approach. They have been developed through the cooperation of innumerable individuals vitally interested in agriculture. My special message on Monday will briefly describe the consultative and advisory processes to which this whole program has been subjected during the past ten months.

I have chosen this farm program because it will build markets, protect the consumers' food supply, and move food into consumption instead of into storage. It is a program that will remove the threat to the farmer of these overhanging surpluses, a program, also, that will stimulate production when a commodity is scarce and encourage consumption when nature is bountiful. Moreover, it will promote the individual freedom, responsibility and initiative which distinguish American agriculture. And, by helping our agriculture achieve full parity in the market, it promises our farmers a higher and steadier financial return over the years than any alternative plan.

CONSERVATION

Part of our Nation's precious heritage is its natural resources. It is the common responsibility of Federal, state and local governments to improve and develop them, always working in the closest harmony and partnership.

All Federal conservation and resource development projects are being reappraised. Sound projects now under way will be continued. New projects in which the Federal government has a part must be economically sound, with local sharing of cost wherever appropriate and feasible. In the next fiscal year work will be started on twenty-three projects that meet these standards. The Federal Government will continue to construct and operate economically sound flood control, power, irrigation and water supply projects wherever these projects are beyond the capacity of local initiative, public or private.

Our conservation program will also take into account the important role played by farmers in protecting our soil resources. I recommend enactment of legislation to strengthen agricultural conservation and up-stream flood prevention work, and to achieve a better balance with major flood control structures in the down-stream areas.

Recommendations will be made from time to time for the adoption of:

A uniform and consistent water resources policy;

A revised public lands policy; and

A sound program for safeguarding the domestic production of critical and strategic metals and minerals.

In addition we shall continue to protect and improve our national forests, parks, monuments and other natural and historic sites, as well as our fishery and wildlife resources. I hope that pending legislation to improve the conservation and management of publicly-owned grazing lands in national forests will soon be approved by the Congress.

NATIONAL HIGHWAYS

To protect the vital interest of every citizen in a safe and adequate highway system, the Federal Government is continuing its central role in the Federal Aid Highway Program. So that maximum progress can be made to overcome present inadequacies in the Interstate Highway System, we must continue the Federal gasoline tax at two cents per gallon. This will require cancellation of the 1/2¢ decrease which otherwise will become effective April 1st, and will maintain revenues so that an expanded highway program can be undertaken.

When the Commission on Intergovernmental Relations completes its study of the present system of financing highway construction, I shall promptly submit it for consideration by the Congress and the governors of the states.

POST OFFICE

It is apparent that the substantial savings already made, and to be made, by the Post Office Department cannot eliminate the postal deficit. I recommend, therefore, that the Congress approve the bill now pending in the House of Representatives providing for the adjustment of certain postal rates. To handle the long term aspects of this, I also recommend that the Congress create a permanent commission to establish fair and reasonable postal rates from time to time in the future.

III

Human Problems

Along with the protection of freedom and maintenance of a strong and growing economy, this Administration recognizes a third great purpose of government: concern for the human problems of our citizens. In a modern industrial society, banishment of destitution and cushioning the shock of personal disaster on the individual are proper concerns of all levels of government, including the federal government. This is especially true where remedy and prevention alike are beyond the individual's capacity.

LABOR AND WELFARE

Of the many problems in this area, those I shall first discuss are of particular concern to the members of our great labor force, who with their heads, hearts and hands produce so much of the wealth of our country.

Protection against the hazards of temporary unemployment should be extended to some 6½ millions of workers, including civilian Federal workers, who now lack this safeguard. Moreover, the Secretary of Labor is making available to the states studies and recommendations in the fields of weekly benefits, periods of protection and extension of coverage. The Economic Report will consider the related matter of minimum wages and their coverage.

The Labor Management Relations Act of 1947 is basically a sound law. However, six years of experience have revealed that in some respects it can be improved. On January 11, I shall forward to the Congress suggestions for changes designed to reinforce the basic objectives of the Act.

Our basic social security program, the Old-Age and Survivors Insurance system, to which individuals contribute during their productive years and receive benefits based on previous earnings, is designed to shield them from destitution. Last year I recommended extension of the social insurance system to include more than 10,000,000 additional persons. I ask that this extension soon be accomplished. This and other major improvements in the insurance system will bring substantial benefit increases and broaden the membership of the insurance system, thus diminishing the need for Federal grants-in-aid for such purposes. A new formula will therefore be proposed, permitting progressive reduction in such grants as the need for them declines.

Federal grant-in-aid welfare programs, now based on widely varying formulas, should be simplified. Concrete proposals on fourteen of them will be suggested to the appropriate Committees.

The program for rehabilitation of the disabled especially needs strengthening. Through special vocational training, this program presently returns each year some 60,000 handicapped individuals to productive work. Far more disabled people can be saved each year from idleness and dependence if this program is gradually increased. My more detailed recommendations on this and the other social insurance problems I have mentioned will be sent to the Congress on January 14th.

HEALTH

I am flatly opposed to the socialization of medicine. The great need for hospital and medical services can best be met by the initiative of private plans. But it is unfortunately a fact that medical costs are rising and already impose severe hardships on many families. The Federal Government can do many helpful things and still avoid the socialization of medicine.

The Federal government should encourage medical research in its battle with such mortal diseases as cancer and heart ailments, and should continue to help the states in their health and rehabilitation programs. The present Hospital Survey and Construction Act should be broadened in order to assist in the development of adequate facilities for the chronically ill, and to encourage the construction of diagnostic centers, rehabilitation facilities, and nursing homes. The war on disease also needs a better working relationship between Government and private initiative. Private and non-profit hospital and medical insurance plans are already in the field, soundly based on the experience and initiative of the people in their various communities. A limited Government reinsurance service would permit the private and non-profit insurance companies to offer broader protection to more of the many families which want and should have it. On January 18, I shall forward to the Congress a special message presenting this Administration's health program in its detail.

EDUCATION

Youth -- our greatest resource -- is being seriously neglected in a vital respect. The nation as a whole is not preparing teachers or building schools fast enough to keep up with the increase in our population.

The preparation of teachers as, indeed, the control and direction of public education policy, is a state and local responsibility. However, the Federal Government should stand ready to assist states which demonstrably cannot provide sufficient school buildings. In order to appraise the needs, I hope that this year a conference on education will be held in each state, culminating in a national conference. From these conferences on education, every level of government -- from the Federal Government to each local school board -- should gain the information with which to attack this serious problem.

HOUSING

The details of a program to enlarge and improve the opportunities for our people to acquire good homes will be presented to the Congress by special message on January 25.

This program will include:

Modernization of the home mortgage insurance program of the Federal Government;

Redirection of the present system of loans and grants-in-aid to cities for slum clearance and redevelopment;

Extension of the advantages of insured lending to private credit engaged in this task of rehabilitating obsolete neighborhoods;

Insurance of long-term, mortgage loans, with small down payment for low-income families;

and, until alternative programs prove more effective,

Continuation of the public housing program adopted in the Housing Act of 1949.

If the individual, the community, the State and federal governments will alike apply themselves, every American family can have a decent home. And no good American family should honestly have to be ashamed of its home.

VETERANS ADMINISTRATION

The internal reorganization of the Veterans Administration is proceeding with my full approval. When completed, it will afford a single agency whose services, including medical facilities, will be better adapted to the needs of those 20,000,000 veterans to whom this Nation owes so much.

SUFFRAGE

My few remaining recommendations all relate to a basic right of our citizens -- that of being represented in the decisions of the government.

I hope that the States will cooperate with the Congress in adopting uniform standards in their voting laws that will make it possible for our citizens in the armed forces overseas to vote.

In the District of Columbia, the time is long overdue for granting national suffrage to its citizens and also applying the principle of local self-government to the Nation's Capital. I urge the Congress to move promptly in this direction and also to revise District revenue measures to provide needed public works improvements.

The people of Hawaii are ready for statehood. I renew my request for this legislation in order that Hawaii may elect its State officials and its representatives in Washington along with the rest of the country this fall.

For years our citizens between the ages of 18 and 21 have, in time of peril, been summoned to fight for America. They should participate in the political process that produces this fateful summons. I urge Congress to propose to the States a constitutional amendment permitting citizens to vote when they reach the age of 18.

Conclusion

I want to add one final word about the general purport of these many recommendations, which are not in any sense, exclusive. Others will, from time to time, be submitted to Congress.

Our government's powers are wisely limited by the Constitution; but quite apart from those limitations, there are things which no government can do or should try to do.

A government can strive, as ours is striving, to maintain an economic system whose doors are open to enterprise and ambition -- those personal qualities on which economic growth largely depends. But enterprise and ambition are qualities which no government can supply. Fortunately no American government need concern itself on this score; our people have these qualities in good measure.

A government can sincerely strive for peace, as ours is striving, and ask its people to make sacrifices for the sake of peace. But no government can place peace in the hearts of foreign rulers. So it is our

duty then to ourselves and to freedom itself to remain strong in all those ways -- spiritual, economic, military -- that will give us maximum safety against the possibility of aggressive action by others.

No government can inoculate its people against the fatal materialism that plagues our age. Happily, our people, though blessed with more material goods than any people in history, have always reserved their first allegiance to the kingdom of the spirit, which is the true source of that freedom we value above all material things.

But a government can try, as ours tries, to sense the deepest aspirations of the people, and to express them in political action at home and abroad. So long as action and aspiration humbly and earnestly seek favor in the sight of the Almighty, I can see no end to the road ahead for America and no human limit to the service we can perform.

DWIGHT D. EISENHOWER

THE WHITE HOUSE

January 7, 1954

REACTION

Pending study of specific recommendations in later messages, most Members of Congress praised the broad outline of the Administration program presented by President Eisenhower in his State of the Union message. Dissension centered around proposals for cancellation of scheduled cuts in excise and corporation-income taxes.

Comments on the over-all message:

House Majority Leader Charles A. Halleck (R Ind.) -- "...geared to ... prosperity based on peace instead of war."

House Minority Leader Sam Rayburn (D Tex.) -- "...few, if any, specific recommendations on major subjects..."

House Majority Whip Leslie C. Arends (R Ill.) -- "...historic in this new Republican era of economic and governmental reconstruction."

House Minority Whip John W. McCormack (D Mass.) -- "...so far as accomplishments are concerned, the Democratic Party is the party of responsibility...the Republican party...is badly split."

House Speaker Joseph W. Martin, Jr. (R Mass.) -- A "message ... of inspiration and stimulation."

Senate Minority Leader Lyndon B. Johnson (D Tex.) -- A "message ... of moderation and reason."

Rep. Melvin Price (D Ill.) -- "...a hodge-podge of typical GOP promises..."

Sen. Frank Carlson (R Kan.) -- "...dynamic...a beaconlight of hope and security..."

Sen. Hubert Humphrey (D Minn.) -- "...any resemblance between it and what the (GOP) Congress will do to it will be sheer coincidence."

Sen. Joseph R. McCarthy (R Wis.) -- "...far and away the best... (message) I've heard."

Sen. Wayne Morse (D Ore.) -- "...platitudes...false hopes...political propaganda..."

No Members were quoted as favoring the requested tax extensions. Among those opposed: Reps. Robert W. Kean (R N.J.), Thomas A. Jenkins (R Ohio), Noah M. Mason (R Ill.), and John W. Byrnes (R Wis.).

Comments on farm policy:

Sen. George D. Aiken (R Vt.) -- "...a sound approach...Details...will be for us to work out."

Sen. Richard B. Russell (D Ga.) -- "Flexible supports wouldn't 'anywhere near reach the objective...'"

On raising the debt limit:

Sen. Harry Flood Byrd (D Va.) -- "I will continue to fight against" an increase.

EXECUTIVE BRANCH (CONT.)

The President

FORESEES PROSPERITY

Replying to "self-appointed peddlers of gloom and doom," President Eisenhower Jan. 4 declared that "we must not and need not tolerate a boom-and-bust America," adding: "America's prosperity does not and need not depend upon war..."

"'Help' is the key word" in the Administration, the President said in a radio-TV address outlining his goals for 1954. By "help," he explained, he means "service" unimpeded by bureaucracy or timidity. He is prepared, he continued, to "use every proper means to sustain the basic prosperity of our people."

Mr. Eisenhower promised to help "prevent" such "deficiencies" as slums, out-dated highways, poor schools, inadequate health protection, unemployment, and poverty among the aged. He reiterated his belief in decentralization.

NOMINATIONS

President Eisenhower has nominated:

Harmar D. Denny, Pittsburgh, reappointed a member of the Civil Aeronautics Board, Jan. 1, for term expiring Dec. 31, 1959.

William Norbert Engles, Macon, Ga., Deputy Administrator, Small Business Administration, Jan. 4.

Albert C. Beeson, San Jose, Calif., member, National Labor Relations Board, Jan. 7.

CIVIL AERONAUTICS BOARD

President Eisenhower Jan. 6 designated former Sen. Chan Gurney (R S.D.) as chairman of the Civil Aeronautics Board. Gurney, a member of the Board since March, 1951, served in the Senate from 1939-1950. Former Rep. Harmar D. Denny (R Pa.), reappointed to the Board Jan. 1, was named vice-chairman.

REJECTS POST

Stanley Ruttenberg, CIO director of education and research, Dec. 30 turned down a Presidential appointment to the International Development Advisory Board. (1953 CQ Weekly Report, p. 1457.) Ruttenberg said he read about his appointment for the first time in the newspapers, and that it was "inconceivable" that "members of the White House staff failed to discuss the question ... with me."

Departments, Agencies

ATOMIC TALKS SET

The U. S. and Soviet Russia Jan. 6 agreed to hold preliminary talks on President Eisenhower's plan to use atomic energy for peaceful purposes. (1953 Weekly Report, p. 1420.) The talks are expected to begin "at an early date" in Washington, according to the Department of State.

RED TRADE RULES REVISED

Foreign Operations Administrator Harold E. Stassen Jan. 4 announced a relaxation of some controls on non-strategic materials trade with Communist countries, except Communist China where a ban on all trade will be continued. Stassen called the new policy one of "greater concentration on a smaller number of strategic items." He said, for example, cotton would no longer be considered strategic, and that rubber, drugs and pharmaceuticals would no longer be totally embargoed.

FOREIGN ARMS AID FUNDS

The U. S. foreign arms programs has gathered sufficient momentum that Congress will be asked for relatively small appropriations for it this year, according to a Jan. 2 statement by Major Gen. George C. Stewart, Department of Defense military aid director. "The big programs are over," Stewart said, adding that there were enough funds on hand to finance military support to U. S. allies "at the present peak rate" for another two and a half years.

VA HOME LOANS

The Veterans Administration reported Jan. 2 that it guaranteed more than 320,000 home loans totaling more than \$3 billion during 1953. Average home price was \$11,275, the VA said. Comparable figures for 1952: 306,000 loans, totalling about \$2.7 billion, with a \$10,915 average price.

DEFICIT AT \$9 BILLION

The Treasury Jan. 6 issued a statement for the first half of the 1954 fiscal year showing a deficit of slightly over \$9 billion. The figures showed that the total public debt on Dec. 31 was a quarter of a billion dollars more than the \$275 billion legal limit, but the total included approximately \$573 million of debt not subject to the statutory limit.

6 MILLION DRAW AGE BENEFITS

The Bureau of Old Age and Survivors Insurance reported Jan. 2 that 5,970,000 persons were getting benefits under the social security system as of Dec. 31, 1953. The total was almost a million more than were drawing benefits under the program a year earlier. Benefit payments totaled \$3 billion and administration cost \$90 million in 1953. The categories of recipients: Retired workers; 3.3 million; wives and dependent husbands, 900,000; minor children, 1.1 million; widows, widowers and dependent parents, 600,000.

UNEMPLOYMENT RISES

The Department of Commerce Jan. 5 reported that unemployment increased by about 400,000 persons from November to December, 1953, hiking the jobless total to about 1.8 million. In addition to the unemployment rise, the Department, in its monthly report, said some 700,000 people dropped out of the labor force during the month.



(JAN. 8)

late developments

Late developments of the week ending Jan. 8, briefly reported on this page, will be covered in appropriate sections of the Jan. 15 Weekly Report.

HAWAII STATEHOOD

At a Senate Interior and Insular Affairs Committee hearing on Hawaiian statehood (see page 29), former Hawaiian Governor Ingram M. Stainback Jan. 8 testified that because the "Communist leaders" of the International Longshoremen's and Warehousemen's Union control 80 per cent of the labor vote in Hawaii and he said, are able to defeat any political candidate, the admission of Hawaii to statehood now would endanger national security.

Following Stainback's testimony the Committee by show of hands voted to end its hearings on both Hawaii and Alaska statehood. Chairman Hugh Butler (R Neb.) said that the vote automatically "unscrambled" the Hawaii and Alaska bills; that starting Jan. 11 the Committee would go ahead until it completes action on the Hawaiian bill; and that a vote would be taken this year on Alaskan statehood.

FARM PRICE PROBE

Sen. George D. Aiken (R Vt.), Chairman of the Senate Agriculture and Forestry Committee, Jan. 8 appointed a special subcommittee to investigate the reasons for the difference between prices the farmer receives and what the consumer pays for agricultural products. Aiken named Sen. John J. Williams (R Del.) to head the group.

REPUBLICAN POLICY MEETINGS

Speaker of the House Joseph W. Martin, Jr. (R Mass.), said Jan. 8 after a meeting of the House Republican Policy Committee that no specific legislation was discussed and no decisions were made. Martin said he has called a meeting of all House committee chairmen for Jan. 15 for reports on what legislative proposals can be readied for early House action.

Republican Floor Leader Charles A. Halleck (Ind.) said the same day that revisions of the Taft-Hartley labor law, a new tax program and wire-tapping legislation are among the measures likely to receive early consideration.

NEW MEXICO ELECTION

Sen. Charles E. Potter (R Mich.), a member of the Senate Rules and Administration Committee's Subcommittee on Privileges and Elections, said Jan. 8 that attorneys for Sen. Dennis Chavez (D N.M.), whose 1952 election the Subcommittee investigated (1953 CQ Weekly Report, p. 1461), refused to accept a \$6,875 voucher from the Subcommittee as full payment for legal services during the investigation. Potter said they demanded \$25,000.

STATUS OF MAJOR LEGISLATION

This chart traces through Jan. 8, 1954, the advancement toward a final decision of these major legislating proposals:

Bills	Reported in House	Passed House	Reported in Senate	Passed Senate	In Con- ference
Statehood for Alaska	6/26/53				
Statehood for Hawaii		3/10/53			
Increase Salaries of of Congress, Fed. Judges			5/11/53		
Immunity of Cong. witnesses				7/9/53	
Raise legal debt limit		7/31/53			
St. Lawrence Seaway			6/16/53		
Restrict executive treaty powers (Bricker Amendment)			6/15/53		

CITIZENSHIP FORFEITURE

A Jan. 7 Presidential recommendation -- that persons convicted of conspiracy to overthrow the government by force or violence lose their U.S. citizenship -- stirred a Congressional ovation that was followed by expressions of doubt concerning the necessity, desirability, or Constitutionality of such forfeiture. A bill (S 2637) to carry out the request was introduced Jan. 7 by Sen. Margaret Chase Smith (R Maine).

Also Jan. 7, Sen. Pat McCarran (D Nev.) suggested that forfeiture apply to those convicted "heretofore" instead of merely "hereafter." Jan. 8, McCarran called the proposal "half-baked" because existing law provides for loss of citizenship rights. Conviction under the Alien Registration (Smith) Act of 1940 is a felony; a felon loses rights such as suffrage. The McCarran-Walter Immigration Act of 1952 provides for loss of "nationality" by those convicted of "attempting" forceful overthrow omitting reference to conspiracy.

Chairman William Langer (R N.D.) of the Senate Judiciary Committee and Chairman William E. Jenner (R Ind.) of the Senate Internal Security Subcommittee agreed with McCarran on the redundancy of the proposal.

Rep. Francis E. Walter (D Pa.) and Chairman Chauncey W. Reed (R Ill.) of the House Judiciary Committee doubted the Constitutionality of a citizenship-forfeiture law, especially in the case of a native American. (For Presidential message, see pages 38-44.)

DEMOCRAT "VETO"?

Sen. Lyndon B. Johnson (D Tex.), commenting on the President's State of the Union address (see pages 38-44), said Jan. 8 Senate Democrats "will give his program careful study" and will exercise a "veto" power on individual items.

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congressional quiz

1. Q--What is the current status of legislation which was approved by one house but not by the other during the 1953 session of Congress?

A--All legislation introduced during the first session of a Congress remains "alive" or pending, during the second session. Though bills and resolutions remain "alive" from one session to the next, they do not carry over from one Congress to another and must be reintroduced in order to receive consideration.

2. Q--I've been wondering, how many women are Members of Congress?

A--Twelve, including one, Margaret Chase Smith (R Maine) who is a Senator and the only woman ever to serve in both chambers of Congress. The 11 women Representatives come from 10 states, with New York having elected two. Politically, the women are divided 6-5 in favor of the Republicans. One of the GOP women -- Rep. Edith Nourse Rogers (Mass.) -- holds the all-time record for the longest continuous service in Congress by a woman. Mrs. Rogers has served since June 30, 1925, when she was elected to fill a vacancy caused by the death of her husband.

3. Q--What is the most common surname among Members of Congress?

A--It's Smith, as you might have guessed. There are six of them in the 83rd Congress, four in the House and two in the Senate. Other common names include (all in the House unless otherwise indicated): Miller, five; Rogers, four; Johnson, four (two in the Senate); Williams, four (one in the Senate); Jones, three; O'Brien, three; Thompson, three; Wilson, three; Martin, three (one in Senate); Davis, three; and Harrison, three.

4. Q--Does the term "senior Senator" refer to age or length of service?

A--The words "senior" and "junior" as applied to Senators refer to length of continuous service. A senior Senator may be younger or older than his junior colleague. Since seniority is important in the Senate, a state's senior Senator is more likely to hold the committee posts he prefers and rank higher on his committees (which means he is closer to committee chairmanships or a position as ranking member.) Provided they are both members of the party controlling the Presidency, the senior of a state's two Senators could normally expect a greater voice in patronage. Actually, a junior Senator sometimes ranks well in Senate seniority. Sen. Richard B. Russell (D Ga.), in the

Senate since 1933, is the Peach state's junior Senator, but is ranking minority member (and a former Chairman) of the Armed Services Committee. Sen. Walter F. George (D Ga.), in the Senate since 1922, is ranking Democratic member (and former Chairman) of both the Foreign Relations and Finance Committees.

5. Q--I've read that some Senators may "filibuster" against a House-approved bill to grant statehood to the Territory of Hawaii. Just what is a filibuster?

A--A filibuster is the deliberate use of unlimited debate in the U. S. Senate with a view toward delaying or preventing action on a measure under consideration. The rules under which the House considers legislation make any extended filibuster unlikely in that chamber. Originally, the term meant buccaneer, plunderer or pirate, but later came to describe obstructionist tactics in U. S. legislative bodies.

6. Q--How can I contact my Senators and Congressman now that Congress is back in session?

A--A letter or telegram may be addressed to him at the Senate (or House) Office Building, Washington, 25, D. C. He may also be reached by telephone by calling NAtional-8-3120 in Washington, and asking for his office. If he is not in his office, his secretary may have the call transferred to his committee if he is attending a meeting, or to the Republican or Democratic cloak-rooms if he is "on the floor" of the Senate or House.

7. Q--If I went to Washington, could I witness sessions of the Congress?

A--Yes. Both the House and Senate provide places in the galleries which are reserved for the public. Tickets are required but these normally may be obtained from Congressmen just for the asking. Visitors are subject to control of the presiding officer who may order the gallery cleared in case of disturbance or disorder, which is rare. Special sections in the gallery are set aside for accredited members of the press, radio and television.